

**AGENDA OF A REGULAR MEETING - NATIONAL CITY CITY COUNCIL/
COMMUNITY DEVELOPMENT COMMISSION – HOUSING AUTHORITY OF
THE CITY OF NATIONAL CITY**



**COUNCIL CHAMBERS
CIVIC CENTER
1243 NATIONAL CITY BOULEVARD
NATIONAL CITY, CALIFORNIA
TUESDAY, DECEMBER 15, 2015 – 6:00 PM**

RON MORRISON
Mayor

JERRY CANO
Vice Mayor

ALBERT MENDIVIL
Councilmember

MONA RIOS
Councilmember

ALEJANDRA SOTELO-SOLIS
Councilmember

ORDER OF BUSINESS: Public sessions of all Regular Meetings of the City Council / Community Development Commission - Housing Authority (hereafter referred to as Elected Body) begin at 6:00 p.m. on the first and third Tuesday of each month. Public Hearings begin at 6:00 p.m. unless otherwise noted. Closed Sessions begin at 5:00 p.m. or such other time as noted. If a workshop is scheduled, the subject and time of the workshop will appear on the agenda. The Mayor and Council members also sit as the Chairperson and Members of the Board of the Community Development Commission (CDC).

REPORTS: All open session agenda items and reports as well as all documents and writings distributed to the Elected Body less than 72 hours prior to the meeting, are available for review at the entry to the Council Chambers. Regular Meetings of the Elected Body are webcast and archived on the City's website www.nationalcityca.gov.

PUBLIC COMMENTS: Prior to the Business portion of the agenda, the Elected Body will receive public comments regarding any matters within the jurisdiction of the City and/or the Community Development Commission. Members of the public may also address any item on the agenda at the time the item is considered by the Elected Body. Persons who wish to address the Elected Body are requested to fill out a "Request to Speak" form available at the entrance to the City Council Chambers, and turn in the completed form to the City Clerk. The Mayor or Chairperson will separately call for testimony of those persons who have turned in a "Request to Speak" form. If you wish to speak, please step to the podium at the appropriate time and state your name and address (optional) for the record. The time limit established for public testimony is three minutes per speaker unless a different time limit is announced. Speakers are encouraged to be brief. The Mayor or Chairperson may limit the length of comments due to the number of persons wishing to speak or if comments become repetitious or irrelevant.

**1243 National City Blvd.
National City
619-336-4240**

**Meeting agendas and
minutes available on web**

WWW.NATIONALCITYCA.GOV

WRITTEN AGENDA: With limited exceptions, the Elected Body may take action only upon items appearing on the written agenda. Items not appearing on the agenda must be brought back on a subsequent agenda unless they are of a demonstrated emergency or urgent nature, and the need to take action on such items arose after the agenda was posted.

CONSENT CALENDAR: Consent calendar items involve matters which are of a routine or noncontroversial nature. All consent items are adopted by approval of a single motion by the City Council. Prior to such approval, any item may be removed from the consent portion of

the agenda and separately considered, upon request of a Councilmember, a staff member, or a member of the public.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Spanish audio interpretation is provided during Elected Body Meetings. Audio headphones are available in the lobby at the beginning of the meeting.

Audio interpretación en español se proporciona durante sesiones del Consejo Municipal. Los audífonos están disponibles en el pasillo al principio de la junta.

COUNCIL REQUESTS THAT ALL CELL PHONES AND PAGERS BE TURNED OFF DURING CITY COUNCIL MEETINGS.

OPEN TO THE PUBLIC

A. CITY COUNCIL

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE TO THE FLAG

PUBLIC COMMENTS (THREE-MINUTE TIME LIMIT)

PROCLAMATIONS

AWARDS AND RECOGNITIONS

1. [Employee of the Quarter 2015 - Ronney Wilson, Firefighter](#)
2. [National City Host Lions Club OneSight San Diego Clinic Volunteer Certification Presentation](#)

PRESENTATIONS

3. [2015 Regional Walk Scorecard Results \(Kathleen Ferrier, Circulate San Diego\)](#)
4. [A Reason to Survive \(ARTS\) - End of Year Update \(Ashleigh Starke\)](#)

INTERVIEWS / APPOINTMENTS

5. [Interviews and Appointments: Public Art Committee and San Diego Association of Governments \(SANDAG\) \(City Clerk\)](#)

CONSENT CALENDAR

6. [Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances considered at this meeting and providing that such Ordinances shall be introduced and/or adopted after a reading of the title only. \(City Clerk\)](#)
7. [Approval of the Minutes of the Adjourned Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City of March 24, 2015 and the Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City of December 1, 2015. \(City Clerk\)](#)

8. [Resolution of the City Council of the City of National City authorizing the acceptance of the lowest, responsive, responsible bid, for the purchase of \(1\) unmarked 2015 Ford Taurus SEL FWD and \(1\) 2016 Ford Fusion SE, for the Police Department from Kearny Pearson Ford of San Diego, in the amount of \\$49,477.34. \(Finance\)](#)
9. [Resolution of the City Council of the City of National City authorizing the acceptance of the lowest, responsive, responsible bid, for the purchase of \(1\) unmarked 2016 Kia Optima EX, for the Police Department from Team Kia of El Cajon, in the amount of \\$25,981.27. \(Finance\)](#)
10. [Resolution of the City Council of the City of National City approving an amendment to the salary schedule for the Part-Time and Seasonal employee group, moving the Cashier, Dishwasher, Kitchen Aide and Recreation Aide from salary range pt039 to pt042 and moving the Recreation Leader I classification from salary range pt042 to pt045, effective December 22, 2015. \(Human Resources\)](#)
11. [Resolution of the City Council of the City of National City adopting City Council Policy #203, "Investments," as amended, for Fiscal Year 2016, adding sub-sections "1.b" and "14.a" through "14.e" to section VIII and adding "Supranational" to the Glossary of Investment Terms. \(Finance\)](#)
12. [Warrant Register #18 for the period of 10/28/15 through 11/03/15 in the amount of \\$1,152,020.73. \(Finance\)](#)
13. [Warrant Register #19 for the period of 11/04/15 through 11/10/15 in the amount of \\$2,448,448.70. \(Finance\)](#)

PUBLIC HEARINGS

14. [Public Hearing Conditional Use Permit for alcohol sales at a proposed Hooters Restaurant to be located in Westfield Plaza Bonita. \(Applicant: Alcoholic Beverage Consulting on behalf of Hooters Restaurant\) \(Case File 2015-19 CUP\) \(Planning\) **Companion Item #15**](#)

ORDINANCES FOR INTRODUCTION

ORDINANCES FOR ADOPTION

NON CONSENT RESOLUTIONS

15. [Resolution of the City Council of the City of National City approving a Conditional Use Permit for alcohol sales at a proposed Hooters Restaurant to be located in Westfield Plaza Bonita. \(Applicant: Alcoholic Beverage Consulting on behalf of Hooters Restaurant\)\(Case File 2015-19 CUP\) \(Planning\) **Companion Item #14**](#)

16. [Resolution of the City Council of the City of National City authorizing the Mayor to execute a Fifth Amendment to the Agreement with Safdie Rabines Architects to extend the term of the Agreement to April 30, 2016 and increase the not-to-exceed amount of the Agreement by \\$60,000, for a total Agreement amount of \\$913,630, to provide additional architectural and construction support services for the National City Aquatic Center, including preparation of as-built drawings. \(Engineering/Public Works\)](#)
17. [Resolution of the City Council of the City of National City authorizing the Mayor to execute an Agreement with Ameresco, Inc., to conduct an Energy Audit of City facilities \(Phase I\), develop a project scope of energy and water saving measures to fund capital costs, forecast savings, and present a financing solution.\(Engineering/Public Works\)](#)

NEW BUSINESS

18. [Request for City Council direction on scope of work and schedule for Alley Improvement Project. \(Engineering/Public Works\)](#)
19. [Investment Report for the quarter ended September 30, 2015. \(Finance\)](#)
20. [Investment transactions for the month ended October 31, 2015. \(Finance\)](#)
21. [Fiscal Year 2015 and 1st Quarter Fiscal Year 2016 Budget Review. \(Finance\)](#)
22. [Report providing additional information and seeking direction regarding cablecasting of City of National City City Council and Planning Commission meetings, and public service messages. \(MIS\)](#)
23. [Update on timing, public hearing, and introductions of ordinances regarding a pending amendment to Title 18 \(Zoning\) Chapter 18.30.340 of the National City Municipal Code \(Medical marijuana dispensaries\) to address cultivation of marijuana, specifically seeking to adjourn to January 5, 2016 or other date thereafter for the public hearing and introduction of ordinances. \(Case File No. 2015-15 A\) \(Planning\)](#)

B. COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY

PUBLIC HEARINGS- HOUSING AUTHORITY

CONSENT RESOLUTIONS- HOUSING AUTHORITY

24. [Resolution of the Community Development Commission-Housing Authority of the City of National City authorizing the Executive Director to execute an Exclusive Negotiating Agreement by and between the Community Development Commission-Housing Authority of the City of National City and La Maestra Family Clinic, Inc. a California non-profit,](#)

[public benefit corporation, for the development of a 1.47 acre property located between Eta Street and Bucky Lane on North Highland Avenue in National City. \(Housing, Grants, and Asset Management\)](#)

NON CONSENT RESOLUTIONS- HOUSING AUTHORITY

NEW BUSINESS- HOUSING AUTHORITY

C. REPORTS

STAFF REPORTS

25. [Update on shopping cart removal, business retrieval and enforcement pilot program. \(Neighborhood Services\)](#)
26. [Update on Las Palmas Pool. \(Community Services\)](#)

MAYOR AND CITY COUNCIL

CLOSED SESSION REPORT

ADJOURNMENT

Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday - January 5, 2016 - 6:00 p.m. - Council Chambers - National City, California.

The following page(s) contain the backup material for Agenda Item: Employee of the Quarter 2015 - Ronney Wilson, Firefighter



CITY OF NATIONAL CITY
M E M O R A N D U M

DATE: December 1, 2015
TO: Leslie Deese, City Manager
FROM: Stacey Stevenson, Director of Administrative Services
SUBJECT: EMPLOYEE OF THE QUARTER PROGRAM

The Employee Recognition Program communicates the City's appreciation for outstanding performance. In doing so, it recognizes employees who maintain high standards of personal conduct and make significant contributions to the workplace and community.

The employee to be recognized for the Fourth Quarter of calendar year 2015 is:

Ronney Wilson – Firefighter

By copy of this memo, the employee is invited to attend the Council meeting on Tuesday, December 15, 2015 to be recognized for his achievement and service.

Attachment

cc: Ronney Wilson
Frank Parra – Director of Emergency Services
Mark Beveridge – Battalion Chief
Ben Garcia – Captain
Josie Flores-Clark – Executive Assistant III
Human Resources – Office File



**Performance Recognition Award
Nomination Form**

I nominate Ronney Wilson

For the Performance Recognition Award for the following reasons:

Please state reason why your nominee should receive an award, (i.e., examples of service beyond requirements of position, exemplary service to the public, outstanding job performance, etc). Do not to exceed 150 total words. Please be as specific as possible when giving your examples.

Ronney Wilson is a 3 year firefighter who has excelled with training and education and is a positive image for the City of National City's Fire Department. Ronney is constantly attempting to improve his skills as a firefighter by taking multiple outside classes and volunteering for assignments within the department. This is apparent in his approach to his patients on emergency calls as well as with his peers in the Fire Department as a probationary firefighter mentor. Always willing to assist with training as well as public relations events even on his days off. He has excelled in his short time here in the Fire Department and has proven himself to be an excellent firefighter as well as an outstanding National City employee.

FORWARD COMPLETED NOMINATION TO:

National City Performance Recognition Program
Human Resources Department

Nominated by: MARK BEVERIDGE, BATTALION Chief

Signature: Mark Beveridge

Date: 11-19-15

The following page(s) contain the backup material for Agenda Item: National City Host
Lions Club OneSight San Diego Clinic Volunteer Certification Presentation

ITEM #
12-15-15

**NATIONAL CITY HOST LIONS CLUB ONESIGHT
SAN DIEGO CLINIC VOLUNTEER CERTIFICATION
PRESENTATION**

The following page(s) contain the backup material for Agenda Item: 2015 Regional Walk Scorecard Results (Kathleen Ferrier, Circulate San Diego)

Item ____

12/15/15

2015 REGIONAL WALK SCORECARD RESULTS
(KATHLEEN FERRIER, CIRCULATE SAN DIEGO)

2015 Regional Walk Scorecard

Sponsored by Sharp Health Plan



Regional Walk Scorecard 2015

35

- **Status of Walking**
- Walking rates and collisions



Regional Walk Scorecard 2015

35

- **Status of Walking**
- Walking rates and collisions

35

- **Implementation**
- Projects that create a safer walking environment



Regional Walk Scorecard 2015

35

- **Status of Walking**
- Walking rates and collisions

35

- **Implementation**
- Projects that create a safer walking environment

20

- **Policies**
- Long term vision and incentives

Regional Walk Scorecard 2015

35

- **Status of Walking**
- Walking rates and collisions

35

- **Implementation**
- Projects that create a safer walking environment

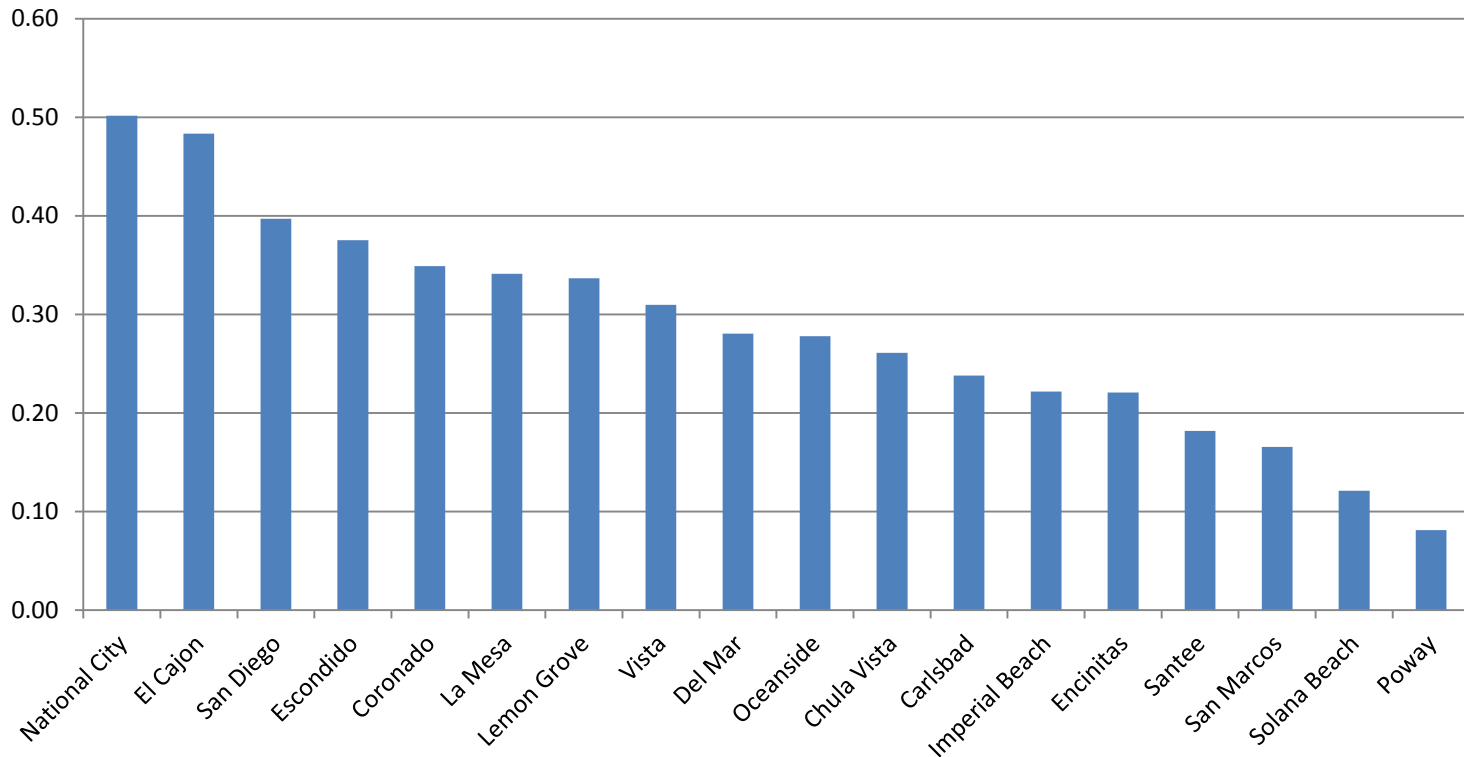
20

- **Policies**
- Long term vision and incentives for walkability

10

- **Field Data**
- Walk data crowdsourced with BestWALK

Pedestrian Safety



San Diego
Regional Cities
Pedestrian
deaths per
100,000

Implementation & Policies

	Points	Goal/ Strategy
Implementation	35	
Walk Friendly Infrastructure	15	Construction of walk-friendly infrastructure
Evaluation	4	Coordination with police to review crash data and make improvements
Enforcement of Safe Vehicle Speeds	6	Review of traffic speed violations and make efforts to reduce speeds
Education & Safe Routes to School	4	Provide safety education and infrastructure around schools
Transit Oriented Development and Walkable Land Use	6	Prioritize growth near high frequency transit
Policies	20	
Comprehensive Mobility Plans	6	Presence of long term plan to improve walkability
Complete Streets Policy	9	De-emphasize car dominance in transportation policies
Ongoing Funding Commitments	5	Project funding dedicated to walkability improvements
TOTAL	55	

Implementation & Policies

	Total Score
National City	43
La Mesa	38
Imperial Beach	35
Chula Vista	35
Encinitas	35
Carlsbad	34
Solana Beach	33
Coronado	32
San Diego	32
Vista	31
Escondido	30
Oceanside	29
Lemon Grove	28
El Cajon	27
Santee	27
San Marcos	25
Del Mar	24
Poway	16

BestWALK Ratings

Rank	City	Average Score
1	San Diego	7.8
2	Solana Beach	7.8
3	Imperial Beach	7.7
4	Chula Vista	7.4
5	La Mesa	7.2
6	Poway	7.2
7	Del Mar	7.0
8	Carlsbad	6.9
9	National City	6.9
10	Oceanside	6.8
11	Vista	6.7
12	Escondido	6.6
13	Encinitas	6.4
14	Coronado	6.4
15	Lemon Grove	6.0
16	Santee	5.6
17	El Cajon	5.0
18	San Marcos	4.8

Regional Walk Scorecard 2015

City of National City

BRIGHT SPOTS

- 3rd highest score for pedestrian friendly infrastructure – behind Imperial Beach, Coronado
- Complete Streets policy adopted with Level of Service flexibility
- One of top five cities for ratio of sidewalk miles to street miles
- Highest score among other cities for mix of walkable land uses

ROOM FOR IMPROVEMENT

- The highest pedestrian collision rate in the region



Thank you

The following page(s) contain the backup material for Agenda Item: A Reason to Survive (ARTS) - End of Year Update (Ashleigh Starke)

ITEM #
12/15/15

A REASON TO SURVIVE (ARTS)
ARTS END OF YEAR UPDATE

(Ashleigh Starke)

The following page(s) contain the backup material for Agenda Item: Interviews and Appointments: Public Art Committee and San Diego Association of Governments (SANDAG) (City Clerk)

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. _____


ITEM TITLE:

Interviews and Appointments: Public Art Committee and SANDAG. (City Clerk)

PREPARED BY: Michael R. Dalla

DEPARTMENT: City Clerk

PHONE: 619-336-4226

APPROVED BY: _____ 

EXPLANATION:

There is an expired term on the Public Art Committee and one application on file from Annette Dela Riva.

In addition, SANDAG has made its annual request, as required by SANDAG Board Policy, for all member cities to place the appointment of their respective SANDAG Board of Directors representative (Primary and Alternates) on the City Council Agenda and to communicate the Council's action to SANDAG by January 10th 2016 (See attached E-mail).

Currently Mayor Morrison is Primary, Member Sotelo-Solis is 1st Alternate and Member Rios is 2nd Alternate.

FPPC Form 806 was last updated and posted in January 2015. An updated version will be posted in January 2016 as required by Resolution No. 2012-250.

FINANCIAL STATEMENT:

APPROVED: _____ Finance

ACCOUNT NO.

APPROVED: _____

ENVIRONMENTAL REVIEW:

ORDINANCE: INTRODUCTION: ☐ FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

- Interview the applicant for the Public Art Committee and make or confirm appointments to SANDAG. |

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Application for Public Art Committee
2. E-mail from SANDAG
3. Minutes from January 20, 2015 City Council Meeting

**CITY OF NATIONAL CITY
APPLICATION FOR APPOINTMENT
TO CITY BOARDS, COMMISSIONS, AND COMMITTEES**

<input type="checkbox"/> Civil Service Commission	<input checked="" type="checkbox"/> Planning Commission
<input type="checkbox"/> Community & Police Relations Commission* (CPRC)	<input checked="" type="checkbox"/> Public Art Committee*
<input type="checkbox"/> Library Board of Trustees	<input type="checkbox"/> Traffic Safety Committee
<input type="checkbox"/> Parks, Recreation & Senior Citizens Advisory Board	

Note: Applicants must be residents of the City of National City except for those marked by an *

Applicants for the Community and Police Relations Commission must pass a criminal background check prior to appointment.

Name: Annette DeB Riva

Home Address: 437 Kimbal way Tel. No.: 619 564-9631

Business Affiliation: _____ Title: _____

Business Address: _____ Tel. No.: _____

Length of Residence in National City: 25 San Diego County: 46 California: 46

Educational Background: Lincoln High

Occupational Experience: Home maker

Professional or Technical Organization Memberships: _____

Civic or Community Experience, Membership, or Previous Public Service Appointments:

J.P. of Lincoln Acres PTSO for 5 yrs.

Experience or Special Knowledge Pertaining to Area of Interest:

Have you ever been convicted of a felony crime? No: 2 Yes: _____ misdemeanor crime? No: _____ Yes: _____

If any convictions were expunged disclosure is not required. Convictions are not necessarily disqualifying.

Please feel free to provide an explanation or information regarding yes answers to the above two questions.

Date: 10-19-15

Signature: Annette DeB Riva

Please feel free to provide additional information or letters of endorsement.

Please return completed form to:

**Office of the City Clerk
1243 National City Blvd, National City, CA 91950**

Thank you for your interest in serving the City of National City.

Mike Dalla

From: Lero, Tessa <Tessa.Lero@sandag.org>
Sent: Wednesday, December 02, 2015 1:26 PM
To: Andrew Potter; Angela Ivy; Anthony Flores; Barbara Engleson; Belinda Hawley; City of San Diego City Clerk; Connie Smith; Diane Halverson; Donna Norris; Jacque Hald; Julia Sansone; Karina Jauregui; Kathy Hollywood; Kathy Valdez; Liz Maland; Lorraine Bennett; Mary Clifford; Mary Kennedy; Mike Dalla; Patsy Bell; Phillip Scollick; Sheila Cobian; Shelley Collins; Susan Garcia; Zack Beck; Aly Zimmerman; Andy Hall; Blair King; Carol Legg; Clay Phillips; Dan Singer; Danny King; Dave Witt; Douglas Williford; Ed Veal; Gary Halbert; Graham Mitchell; Greg Wade; Helen Robbins Meyer; Jack Griffin; Jacqueline Palmer; Jon Terwilliger; Julie Chapin; Karen Brust; Kathi Henry; Kathy Dodson; Kathy Valverde; Kelley Bacon; Kristin Crane; Lavonne Leon; Leslie Deese; Lidia Simms; Lydia Romero; Majed A. Al-Ghafry; Maria Kachadoorian; Marjie Cappiello; Mark Delin; Michelle Skaggs Lawrence; Morgen Fry; Patrick Johnson; Paul Malone; Peter Weiss; Priscilla Jazzkowiak; Robin Ekblad; Sandra Gallegos; Sarah Aghassi; Scott Chadwick; Scott Huth; Stefanie Lang; Stephanie Kaufmann; Steve Dush; Teresa Bussey; Terry Brown; Tina Estell; Tina White; Tom Ritter; Yolanda Garcia; Yvonne Garrett
Cc: Posada, Michelle; Stackwick, Victoria
Subject: SANDAG Board appointments
Attachments: Appointments to SANDAG Board and PACs_Bylaws and Board Policy excerpts.pdf
Importance: High

City Managers and Clerks –

Please make plans to docket an item on your December City Council agendas to make appointments to the SANDAG Board of Directors. Please let me know the date that your governing body will be taking this action as soon as possible.

As in the recent past, an email is sufficient written notice of the appointments. If you would like to follow with a letter and/or council action, that is fine. Please send the email and/or letter to me at [this email address](#) or the office address below.

- **Annually by January 10, or when vacancies occur:** The mayor and council of the City of San Diego and the governing body of each of the other member agencies will make their appointments to the Board. Each member agency shall confirm the appointment of its primary and alternate Board members by sending a written letter to the SANDAG Clerk of the Board. All such appointments shall go into effect immediately following approval by the member agency's governing body. (Section 4.1.1 of SANDAG Board Policy No. 002: Policy Advisory Committee Membership)

Additionally, please note that after January 10, the Board Chair will notify the subregions (North County Coastal, North County Inland, South County, East County, City of San Diego and County of San Diego) that they need to appoint primary and alternate board members to serve on each of the Policy Advisory Committees. Information regarding that process can be found on the attached document. I will send notice on behalf of the Board Chair on January 11, 2016.

If you have any questions, please contact me.

Thank you, tessa

Tessa Ann Lero, CAP-OM-TA

Executive Assistant to Gary Gallegos

**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION –
HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY**

January 20, 2015

The Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City was called to order at 6:12 p.m. by Mayor / Chairman Ron Morrison.

ROLL CALL

Council / Board members present: Cano, Mendivil, Morrison, Rios, Sotelo-Solis.
Administrative Officials present: Dalla, Deese, Duong, Manganiello, Parra, Raulston, Roberts, Rodriguez, Silva, Stevenson, Vergara, Williams.
Others present: Student Representative Isaac Maldonado.

PLEDGE OF ALLEGIANCE TO THE FLAG BY MAYOR RON MORRISON

PUBLIC ORAL COMMUNICATIONS

Sunshine Horton, El Cajon, expressed her displeasure with what law enforcement is going through nationally and said the answer is more communication.

Harry Bennett, representing Paradise Valley Church and Health Center requested steps be taken to improve vehicular safety at the intersection of 8th Street and Borden Drive.

Ed Kravitz, Imperial Beach, urged renewed consideration of reviving the old belt railroad line.

CITY COUNCIL

PRESENTATIONS

PERSONNEL RECOGNITION / APPRECIATION ADMIN (604-2-1)

1. Employee Service Recognition – Recognizing Lieutenant Robert Rounds for his 20 years of service with the City of National City

PERSONNEL NEW EMPLOYEE INTRODUCTION PROGRAM (604-2-2)

2. Introduction of new employee – Cruz Ruelas Avila, Civil Engineering Technician. (Engineering/Public Works)

INTERVIEWS AND APPOINTMENTS

BOARDS & COMMISSIONS ADMIN (101-1-1)

3. Interviews and Appointments: Various Boards, Commissions and Outside Agencies. (City Clerk)

ACTION: No one appeared for interview for City Boards and Commissions.

Motion by Rios, seconded by Sotelo-Solis, to appoint Mayor Morrison to SANDAG. Carried by unanimous vote.

Motion by Rios, seconded by Sotelo-Solis, to appoint Member Sotelo-Solis as 1st Alternate. Carried by the following vote, to-wit: Ayes: Mendivil, Rios, Sotelo-Solis. Nays: Cano, Morrison. Abstain: None. Absent: None.

Motion by Rios, seconded by Sotelo-Solis, to appoint Member Rios as 2nd Alternate. Carried by the following vote, to-wit: Ayes: Mendivil, Rios, Sotelo-Solis. Nays: Cano, Morrison. Abstain: None. Absent: None.

Motion by Morrison, seconded by Cano, to appoint Vice Mayor Cano to Bay Shore Bikeway Working Group. Carried by the following vote, to-wit: Ayes: Cano, Mendivil, Morrison. Nays: Rios, Sotelo-Solis. Abstain: None. Absent: None.

Motion by Morrison, seconded by Cano, to appoint Vice Mayor Cano to Metro Wastewater JPA. Carried by the following vote, to-wit: Ayes: Cano, Mendivil, Morrison, Sotelo-Solis. Nays: Rios. Abstain: None. Absent: None.

Motion by Morrison, seconded by Cano, to appoint Member Mendivil as Alternate. Carried by unanimous vote.

Motion by Morrison, seconded by Sotelo-Solis, to appoint Member Rios to the MTS Board. Carried by unanimous vote.

Motion by Morrison, seconded by Sotelo-Solis, to appoint Member Sotelo-Solis as Alternate. Carried by unanimous vote.

Motion by Morrison, seconded by Cano, to appoint Mayor Morrison to the Regional Solid Waste Authority. Carried by unanimous vote.

Motion by Morrison, seconded by Cano, to appoint Vice Mayor Cano as Alternate. Carried by the following vote, to-wit: Ayes: Cano, Mendivil, Morrison. Nays: Rios, Sotelo-Solis. Abstain: None. Absent: None.

Motion by Morrison, seconded by Cano, to appoint Mayor Morrison to the San Diego County Water Authority. Carried by the following vote, to-wit: Ayes: Cano, Mendivil, Morrison. Nays: Rios, Sotelo-Solis. Abstain: None. Absent: None.

Motion by Morrison, seconded by Cano, to appoint Mayor Morrison to the Sweetwater Authority. Carried by the following vote, to-wit: Ayes: Cano, Mendivil, Morrison. Nays: Rios, Sotelo-Solis. Abstain: None. Absent: None.

The following page(s) contain the backup material for Agenda Item: Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances considered at this meeting and providing that such Ordinances shall be introduced and/or adopted after a reading of the title only. (City Clerk)

ITEM #
12-15-15

**MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE
ORDINANCES CONSIDERED AT THIS MEETING AND PROVIDING
THAT SUCH ORDINANCES SHALL BE INTRODUCED AND/OR
ADOPTED AFTER A READING OF THE TITLE ONLY.**

(CITY CLERK)

The following page(s) contain the backup material for Agenda Item: Approval of the Minutes of the Adjourned Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City of March 24, 2015 and the Regular Meeting of the City Council and Community Development Comm

Item # ____

12/15/15

**APPROVAL OF THE MINUTES OF THE ADJOURNED
REGULAR MEETING OF THE CITY COUNCIL AND
COMMUNITY DEVELOPMENT COMMISSION – HOUSING
AUTHORITY OF THE CITY OF NATIONAL CITY OF
MARCH 24, 2015 AND THE REGULAR MEETING
OF THE CITY COUNCIL AND COMMUNITY
DEVELOPMENT COMMISSION – HOUSING AUTHORITY
OF THE CITY OF NATIONAL CITY OF DECEMBER 1, 2015.**

(City Clerk)

DRAFT DRAFT DRAFT

**MINUTES OF THE ADJOURNED REGULAR MEETING OF THE
CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION
– HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY**

2015-2020 STRATEGIC PLANNING WORKSHOP

March 24, 2015

The Adjourned Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City was called to order at 5:07 p.m. by Mayor / Chairman Ron Morrison.

ROLL CALL

Council / Board members present: Cano, Mendivil, Morrison, Rios, Sotelo-Solis.

Administrative Officials present: Aguirre, Dalla, Deese, Denham, Duong, Hernandez, Manganiello, Pe, Raulston, Roberts, Sainz, Silva, Stevenson, Vergara, Williams, Ybarra.

PLEDGE OF ALLEGIANCE TO THE FLAG BY MAYOR RON MORRISON

2015 – 2020 STRATEGIC PLANNING WORKSHOP

1. City Manager Leslie Deese gave opening remarks and an introduction to the 2015–2020 Strategic Plan process and highlighted the City's partnership with San Diego State University (SDSU) and the invaluable contributions made by students.

Executive Director Raulston provided an overview and background of the Strategic Plan and reviewed the ground rules for the workshop. Director Raulston explained the difference between a Strategic Plan and a Work Plan and detailed the participation and contribution of SDSU students and the SAGE project. Following comments and direction by the City Council, Director Raulston said the next step would be to return with a Draft Strategic Plan on April 28th.

Individual City Departments and Divisions presented their action plan reports. SDSU students then provided comments and recommendations for their assigned department's work plan.

Note: All presentation materials are attached as Exhibit "A"

2015-2020 STRATEGIC PLANNING WORKSHOP (cont.)

2. Public Comment
There were no speakers.
3. City Council Comments and Direction

Member Sotelo-Solis thanked the students and Department Directors. She supports utilizing focus groups, suggestion boxes, connecting with people through mailers, utilizing volunteers, cross training and succession planning

Member Mendivil gave kudos to the staff and students for their presentations, said he strongly supports training and professional growth efforts, encourages staff to make all objectives measurable and believes the homeless issue is a serious one and he looks forward to putting together a plan to address it.

Member Rios said she was happy to see the brochure from the Police Department and encouraged other departments to do something similar and explore ways to get information out to the public, she likes the in-house plan examiner idea, supports expanding technology to help people access Council Meetings and believes we need to streamline the use of volunteers across all departments.

Member Cano said he believes we need to develop a standard that focuses on commitment, courtesy, collaboration and communication so all the departments will act the same when it comes to those five things and we need to get the Boards and Commissions more involved with what is going on. Member Cano said the homeless issue is very important to him and we need to concentrate and focus and try to figure out on what to do.

Mayor Morrison said it was good to have the fresh minds from the outside looking at government; noted that the items in the Strategic Plan being discussed are not much different than the 2013 Strategic Plan but that a lot of work needs to be done now to narrow down the scope. Mayor Morrison thanked the students from SAGE for all that they have done and said that they are making history.

ADJOURNMENT

Motion by Sotelo, seconded by Rios, to adjourn the meeting to the next Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City to be held Tuesday, April 7, 2015 at 6:00 p.m. at the Council Chambers, National City, California. Carried by unanimous vote.

The meeting closed at 7:35 p.m.

City Clerk

The foregoing minutes were approved at the Regular Meeting of December 15, 2015.

Mayor

2015-2020 Strategic Planning Workshop- Development and Discussion

MARCH 24, 2015



March 24, 2005 Strategic Plan Workshop

1

Overview



Introduction, Background, and Ground Rules

Review of the 2015-2020 National City Strategic Plan

- The Strategic Plan and the Work Plan
- Strategic Planning Organizational Chart
- SDSU Sage Project Involvement
- Questionnaire and Preliminary Results
- Budget Priorities – Work Plans - Department/Division Reports
- Connecting the Dots

Public Comment

Council Direction/Comments

March 24, 2005 Strategic Plan Workshop

2

EXHIBIT 'A'



Background and Next Steps

Since 2007 the Strategic Plan has been adopted by the City Council concurrent with the budget process every two years (2013-2018 Strategic Plan)

February 3 Staff presented Budget/Strategic Planning Calendar to City Council and introduced SDSU graduate students

March 3- Staff presented preliminary budget priorities

March 7 – Neighborhood breakfast presentation and release of questionnaire

March 24 – Strategic Planning Workshop

April 28 – Budget Workshop with draft Strategic Plan



Workshop Ground Rules

- Interrupt for clarifying questions
- Hold comments and direction until after public comment
- Students will be taking notes in administrative categories
DEVELOPMENT-COMMUNITY-PUBLIC SAFETY-OPERATIONS
- Questionnaire/survey will be available to public through the website until April 15 and final results will be provided at April 28 workshop
- "Parking Lot" for Topics that need longer discussion and further analysis

The Strategic Plan and the Work Plan

Strategic Plan

Establishes a long-range vision and direction for the City (Every two years)

Ensures everyone is working towards the same goals and objectives

Assess/Adjusts the direction of the organization given the current (and changing) environment

Communicates objectives and initiatives of the organization and provides a basis for the work plan

Work Plan

A structured method for establishing, prioritizing, and updating staff actions that support the initiatives and objectives in the Strategic Plan

Ensures the goals and initiatives are carried out through clear action plans

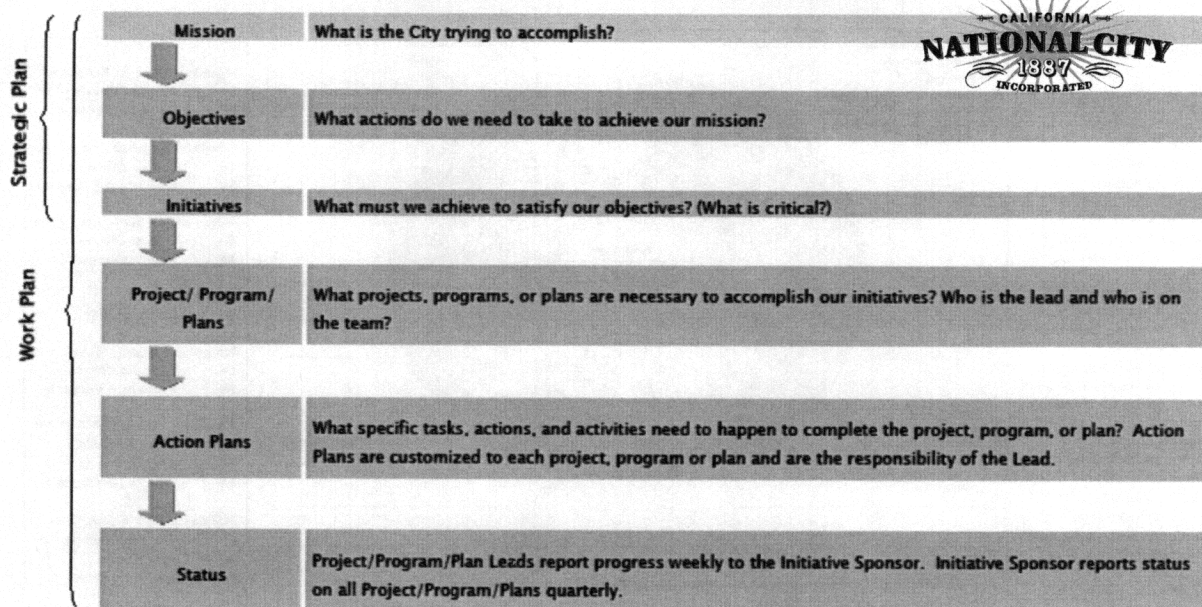
Provides an internal working document or dashboard from which to track progress and celebrate success

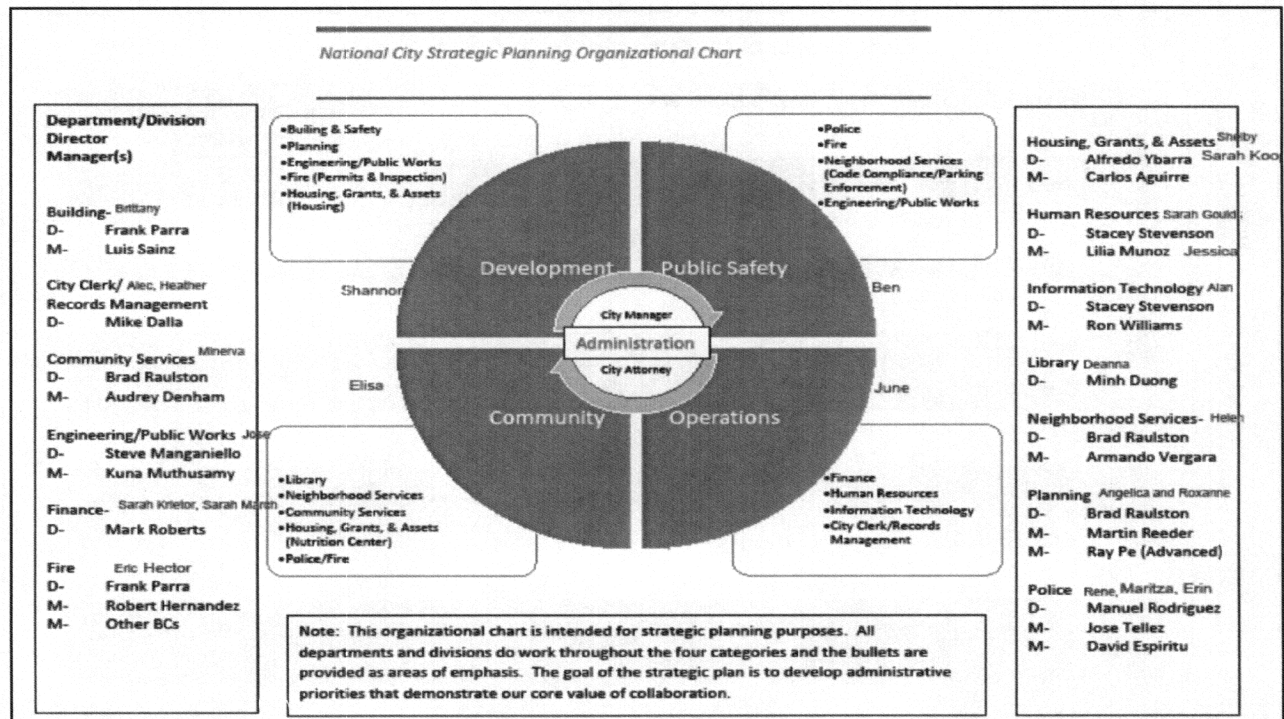
Constantly evolving based on conditions and City Council actions

March 24, 2005 Strategic Plan Workshop

5

Components of the Strategic Plan and Work Plan



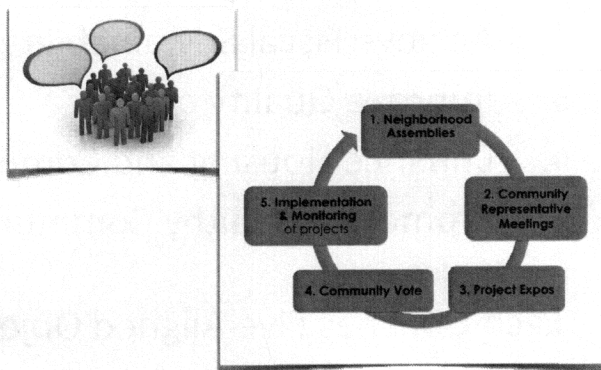


SDSU Sage Project Involvement THE **sage** PROJECT

- Dr. Mounah Abdel-Samad, Assistant Professor of Public Administration and Policy
- Seminar in Administrative Theory- 20+ graduate students have been assigned to departments, divisions, and administrative categories
- Department/Division assigned students will present one finding or suggestion during staff reports. Students assigned to administrative categories will take notes and offer observations after reports
- Costs, Grants, and Social Indicators are part of next assignment
- Research on techniques for community outreach and public engagement

Community Outreach Research

- Research Strategic Planning Methods
 - General versus specific
 - One-way/ two way
- Focus Groups
- Participatory Budgeting
- Ongoing Presence at Community Events
- Conducting Surveys/Questionnaires
- Evaluation Methods



Questionnaire

2013-2018 Strategic Plan Goals



1. Provide Quality Services
2. Achieve Fiscal Sustainability
3. Improve Quality of Life
4. Enhance Housing and Community Assets
5. Promote a Healthy Community

Each Goal has Five Aligned Objectives

CONNECTING...



National City's Core Values: commitment, courtesy, collaboration, communication, customer service

- Starts at the Top

Organizational Needs with Fiscal Sustainability

- 2013 vs. Today
- Employee Retention & Recruitment
- Re-staffing

Communication with Community

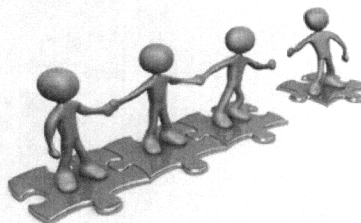
- Informational Brochures, Videos & Mailers
- Website Overhaul & Software Upgrades
- Cablecasting

Volunteers

- Citywide Volunteer Appreciation Program
- Board & Commission Training and Development

Youth

- Students in Government
- Student Volunteers
- Student Intern Program & Mentoring Opportunities



March 24, 2005 Strategic Plan Workshop

13

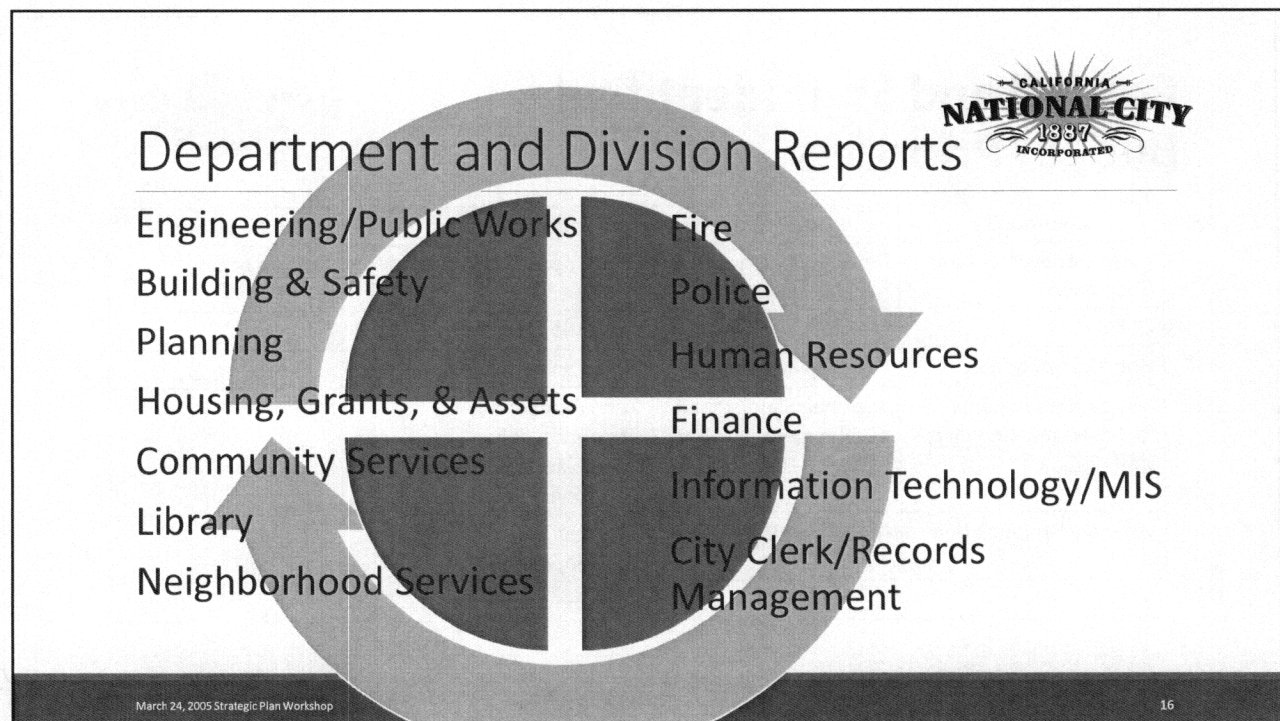
Council and Staff Identified Budget Priorities



Community	Development	Operations	Public Safety
Asset management and disposition	Deferred facilities maintenance	Contingency Reserve	RCS radio system
CDBG	Fee study	Litigation contingencies	
Homeless outreach	Fleet replacement	Pension funding	
Recreation programs (deferred maintenance, staffing)	Regional planning and development	Recruitment and retention (labor negotiations, unfunded positions)	
Volunteer appreciation	Green buildings	Training and development for staff	
		Succession planning	

March 24, 2005 Strategic Plan Workshop

14





Engineering & Public Works

Engineering Division

- Implement Alternative Cost Accounting Procedures to Expedite Construction Contracts
- Streamline Permit Application Review Process and Maximize Cost Recovery
- Review Procedures for Management, Inspections and Reporting to Ensure Environmental Compliance including State mandated stormwater compliance requirements



Engineering & Public Works

Public Works Division

- Streets: Provide Opportunities for Public Works Crews to Construct Smaller Capital Projects
- Wastewater: Review Procedures for Management, Inspections and Maintenance of the City's Sewer System
- Equipment Maintenance: Modernize Equipment and Operations
- Parks: Implement Grid-based System for Tree Trimming and Landscape Maintenance
- Facilities: Complete Comprehensive Facilities Needs Assessment



Building and Safety

- Update the Permit Fee schedule
- Continue to improve the Permit Tracking System
- Develop in-house plan review



Planning

- Collaborate on updating permit fee schedule
- Update webpage and bring GIS online
- Support amortization efforts
- Update and align long range planning documents
- Work with Port District to implement Marina District Vision Plan and achieve win-win-win
- Pursue sustainability initiatives through Climate Action Plan and Energy Roadmap



Housing, Grants, & Assets

Housing

- Complete Paradise Creek Transit Oriented Project Phase I & II
- Dispose/develop real property assets pursuant to approved Property Management Plans
- Prioritize new infill development and key rehabilitation projects
- Establish on-line Housing Choice Voucher waiting list
- Develop PowerPoint/Video Housing Choice Voucher briefing presentation
- Establish community gardens on parcels that are difficult to develop



Housing, Grants, & Assets

Grants and Nutrition Center

- Identify grant funding sources and support and coordinate grant efforts
- Improve wellness programs and inform seniors on emergency preparedness
- Initiate sustainable energy improvements to reduce water/utility costs
- Continue to upgrade dining room and kitchen
- Develop a communication strategy to improve program outreach efforts
- Establish partnerships with Olivewood Gardens and other local community gardens to provide food for congregate meals and a seasonal produce stand for seniors.



Community Services

- Evaluate existing recreational programs and use of facilities
- Promote health, fitness, and well-being
- Collaborate on a citywide volunteer program
- Expand partnerships with local community organizations
- Increase department visibility



Library

Facility and Technology Upgrade

- RFID Security Upgrade
- Automation System Upgrade and Migration to the Cloud
- Public Computers Upgrade
- California Public Library Broadband Project
- Flooring and Other Deferred Maintenance
- Surveillance Cameras Installation



Library

Customer Service Improvements

- Patron Needs Assessment Survey
- Local History Room Reopening
- Collection Weeding – Phase I
- Security Guard Pilot Program
- Notebooks and Tablets Loan Program



Neighborhood Services

- Adopt a comprehensive long term strategy to address homelessness
- Continue to build partnerships with local, regional and community agencies to enhance services
- Increasing efficiency with new technology for customer service complaints/request, graffiti, parking and code enforcement



Fire

- Enhance the Quality of Emergency Service and Firefighter Safety
- Develop a plan for staffing with the ability to support and sustain operations
- Continue to work with elected officials and our City Manager to phase in a squad program
- Continue to fund the replacement of emergency vehicles and equipment



Police- Quality Service

Employee Development Plan

- Retention
- Recruitment
- Employee wellness
- Employee development



Police- Quality of Life

Community Outreach

- Dialogue with Residents
- Force Workshops

Crime Prevention

- Directed Hot Spot Patrolling
- Informational Pamphlets



Police

Procedural Justice Training Program

- Giving others a voice
- Neutrality in decision making
- Respectful treatment
- Trustworthiness



Police- Critical Incident Response

Facility Improvements

- Formal assessment
- Funding

Technology

- Maintenance & Replacement
- Website remodel
- Security and Privacy Training
 - Public Safety Cameras
 - Body Worn Cameras



Police- City/Regional Partnerships

City Departments

- Neighborhood Services - Public Works - City Attorney

Community Programs

- Star Pal - Shop with a Cop - Explorer Program

Regional Crime Efforts

- Federal/State Task Forces
- AB109 Operations



Human Resources

Support Departments and Divisions

- Classification and Compensation
- Employee Benefits
- Labor Relations
- Organizational Development Training
- Recruiting
- Risk Management (Claims Management, Workers' Compensation and Workplace Safety)



Human Resources

Identified initiatives

- Rebuild the City's Organizational Development Program, matching training to City-wide departmental and employee goals, strategic objectives, and local, State and Federal mandates.
- Remodel the City's position classification system in alignment with strategic objectives (strategic deployment of personnel).
- Overhaul/update the City's compensation plan for all employee groups.
- Continue labor/management partnerships with an emphasis on strategic deployment and total compensation issues.
- Develop a workplace safety program.
- Monitor and proactively respond to labor relations updates.
- Continue efforts to automate and streamline work processes.



Finance

- Developing plans to fund replacement reserves and to finance the acquisition, replacement, and maintenance of the City's fleet, facilities, and other assets
- Preparing an effective budget
- Accurately forecasting funding sources
- Managing investments wisely
- Providing consistent financial reports
- Maintaining clean audits and resolving findings/deficiencies in a timely manner
- Updating finance and budget policies



Information Technology/MIS

- Continuously improve technical infrastructure
- Telecommunications modernization
- Cartegraph implementation
- Leverage internal and external cloud computing infrastructure
- Information Technology staff development
- Web-based public safety records and reports



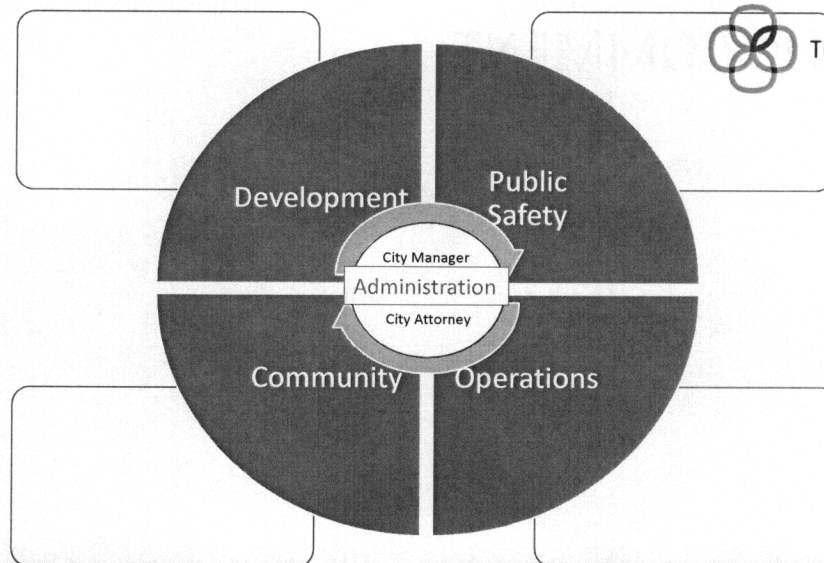
City Clerk/Records Management

- Volume and complexity of Public Records Act requests
- Promote public outreach
- Make digital records database accessible to public
- Expand records management database citywide
- Add frequently requested documents to database
- Update and follow records retention policy guidelines

Student Observations



THE **sage** PROJECT



The Strategic Plan and the Work Plan

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Asset management and disposition	Deferred facilities maintenance	Contingency Reserve	RCS radio system
CDBG	Fee study	Litigation contingencies	
Homeless outreach	Fleet replacement	Pension funding	
Recreation programs (deferred maintenance, staffing)	Regional planning and development	Recruitment and retention (labor negotiations, unfunded positions)	
Volunteer appreciation	Green buildings and sustainable initiatives	Training and development for staff	
		Succession planning	

PUBLIC COMMENT

COUNCIL COMMENT/DIRECTION

PARKING LOT/DISCUSSION TOPICS

Notes- Development

Notes- Community

Notes- Public Safety

Notes- Operations

Notes- Administration

Attachment B

City of National City

Strategic Planning and Work Plan Flow Chart

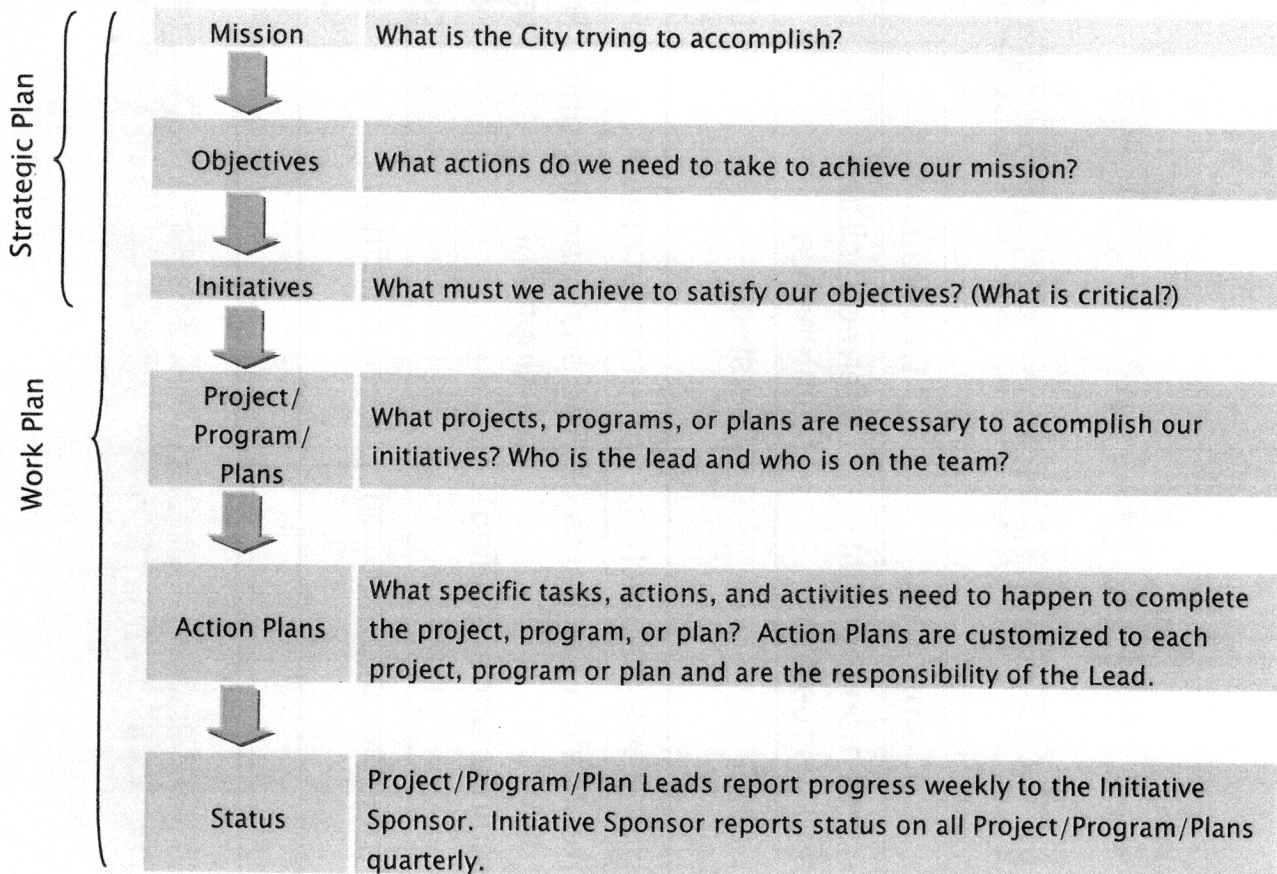
The Strategic Plan

- Establishes a long-range vision and direction for the City (Approved by City Council every two years with budget)
- Ensures everyone is working towards the same goals and objectives
- Assess/Adjusts the direction of the organization given the current (and changing) environment
- Communicates objectives and initiatives of the organization and provides a basis for the work plan

The Work Plan

- A structured method for establishing, prioritizing, and updating action plans that support the initiatives and objectives in the Strategic Plan
- Ensures the goals and initiatives are carried out through clear action plans
- Provides an internal working document or dashboard from which to track progress and celebrate success
- Constantly evolving based on conditions and City Council actions

Components of the Strategic Plan and Work Plan

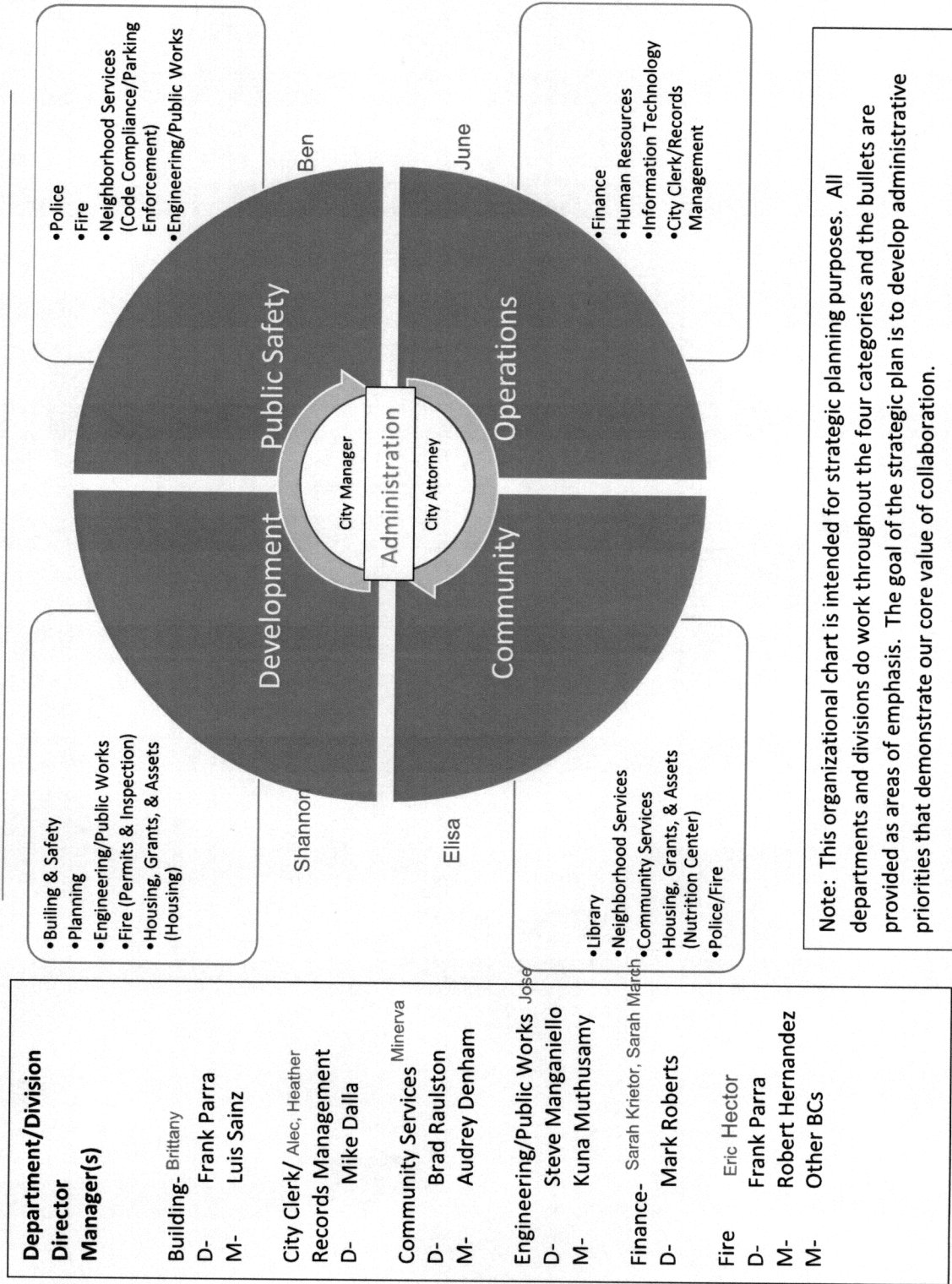


Council and Staff Identified Priorities



Community	Development	Operations	Public Safety
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		Succession planning	

National City Strategic Planning Organizational Chart



Council and Staff Identified Priorities



Community	Development	Operations	Public Safety
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		Succession planning	



STRATEGIC PLANNING & BUDGET SCHEDULE - FISCAL YEAR 2016

DATE & TIME	DESCRIPTION	DEPARTMENT
Monday, Jan. 12th	Budget calendar provided to department heads.	Finance
Tuesday, Jan 27th	CMO to meet with SDSU class to review process and assign students to departments and divisions	CMO
Tuesday, Jan 29th	Department and Division SWOTs due	CMO/All Departments
Monday, Feb. 2nd	Budget training.	Finance/All departments
Tuesday, Feb 3rd	Students meet respective departments & divisions and provide introduction to City Council	CMO/All Departments
Tuesday, Feb. 3rd	Request direction from the City Council for Budget Workshops and Budget Adoption dates. (January 21, 2015 - A200 deadline)	Council/Staff
Monday, Feb. 9th	Budget instructions & budget forms distributed. EDEN open for Departments to enter information.	Finance
Tuesday, Feb 24th	Internal strategy meeting with students to present draft strategic plans for departments and divisions	CMO/All Departments
Thursday, Feb. 26th	Departments enter appropriation proposals in EDEN by 5:00 pm	All departments
Tuesday, Mar. 3rd	City Council budget priorities. (February 18, 2015 - A200 deadline)	Council/Staff
Thursday, Mar. 5th	All CIP and Fleet appropriations entered into EDEN by 5:00 pm	Engineering & Public Works
Thursday, Mar. 5th	Revenues estimates due from applicable departments by 5:00 pm	All departments
Monday, Mar. 9th 10:00 AM - 12:00 PM 2 - 3:00 PM	Departmental budget meetings with Finance to discuss and review strategic plan and appropriation proposals. The specific time and location will be sent out prior to the meeting.	City Council City Clerk City Treasurer City Attorney
Tuesday, Mar. 10th 9:30 AM - 12:00 PM	Departmental budget meetings with Finance to discuss and review strategic plan and appropriation proposals. The specific time and location will be sent out prior to the meeting.	City Manager Administrative Services Finance Human Resources MIS Risk Management Non-Departmental (Non-CIP)
Wednesday, Mar. 11th 9:30 AM - 12 PM 2:00 - 4:00 PM	Departmental budget meetings with Finance to discuss and review appropriation proposals. The specific time and location will be sent out prior to the meeting.	Police Fire/Building HGAM
Monday, Mar. 16th 2:00 - 5:00 PM	Departmental budget meetings with Finance to discuss and review appropriation proposals. The specific time and location will be sent out prior to the meeting.	Engineering & Public Works Parks Maintenance Facilities Maintenance Vehicle Maintenance CIP (All Funds)



STRATEGIC PLANNING & BUDGET SCHEDULE - FISCAL YEAR 2016

DATE & TIME	DESCRIPTION	DEPARTMENT
Tuesday, Mar. 17th 2:00 - 5:00 PM	Departmental budget meetings with Finance to discuss and review appropriation proposals. The specific time and location will be sent out prior to the meeting.	Community Development Community Services Library Neighborhood Services Planning
Thursday, Mar. 19th	Departmental budget recall(s) scheduled (if necessary).	Finance
Tuesday, Mar 24th	Strategic Planning Workshop with City Council	Council/All Departments
Thursday, Mar. 26th 2:00 - 5:00 PM	Budget review (all departments).	Finance Administrative Services
Tuesday, Mar. 31st 2:00 - 5:00 PM	Budget review (all departments).	Finance Administrative Services City Manager
Tuesday, Apr. 7th 10:00 AM - 12:00 PM 2:00 - 4:00 PM	Departmental budget recall(s) (if necessary).	Finance Other departments
Thursday, Apr. 9th	Send Preliminary Budget to printer and upload copy to City's website.	Finance IT
Tuesday, Apr. 28th 6 PM	Budget Workshop / Preliminary Budget Presentation (April 15, 2015 - A200 deadline)	Council/Staff
Wednesday, May 6th 6:30 PM	Neighborhood Council presentations (Kimball Neighborhood Council Meeting).	Finance
Thursday, May 14th 6:30 PM	Neighborhood Council presentations (El Toyon Neighborhood Council Meeting).	Finance
Wednesday, May 20th 6:30 PM	Neighborhood Council presentations (Las Palmas Neighborhood Council Meeting).	Finance
Tuesday, May 26th 6 PM	Budget Workshop (May 13, 2015 - A200 deadline)	Council/Staff
Tuesday, Jun. 16th 6 PM	Budget Hearing / Adoption of Budget. (June 3, 2015 - A200 deadline)	Council/Staff

DRAFT DRAFT DRAFT

**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION –
HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY**

December 1, 2015

The Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City was called to order at 6:15 p.m. by Mayor / Chairman Ron Morrison.

ROLL CALL

Council / Board members present: Cano, Mendivil, Morrison, Rios, Sotelo-Solis.
Administrative Officials present: Dalla, Deese, Denham, Duong, Manganiello, Parra, Raulston, Roberts, Rodriguez, Silva, Stevenson, Vergara, Williams, Ybarra.

Others present: Student Representative Reah Sahagun.

PLEDGE OF ALLEGIANCE TO THE FLAG BY MAYOR RON MORRISON

PUBLIC COMMENTS

Sunshine Horton, El Cajon encouraged everyone to give of themselves, come together, smile and love each other in order to make the world a better place.

AWARDS AND RECOGNITIONS

PERSONNEL NEW EMPLOYEE INTRODUCTION PROGRAM (604-2-2)

1. Introduction of new employee: Gregory Rose, Property Agent. (Housing, Grants and Asset Management)

PRESENTATIONS

**COUNCIL MEETING PRESENTATIONS / AWARDS & RECOGNITIONS 2015
(102-10-10)**

2. 2016 Storm Water Calendar Presentation. (Engineering/Public Works)

**COUNCIL MEETING PRESENTATIONS / AWARDS & RECOGNITIONS 2015
(102-10-10)**

3. National City Host Lions Club OneSight San Diego Clinic Volunteer Certification Presentation.

ACTION: This item was pulled at request of Host Lions Club.

PRESENTATIONS (cont.)

**COUNCIL MEETING PRESENTATIONS / AWARDS & RECOGNITIONS 2015
(102-10-10)**

4. Free Resource and Energy Business Evaluation (FREBE) Program Update. South Bay Energy Action Collaborative (SoBEAC) / City of Chula Vista. **Companion Items #16 and #17**

CITY COUNCIL

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 5 (NCMC), Item No. 6 (Minutes), Item Nos. 7 through 12 (Resolution No. 2015-175 through 2015-180), Item Nos. 13 and 14 (Warrant Registers). Motion by Sotelo-Solis, seconded by Mendivil, to pull Item No. 7, and to approve the remainder of the Consent Calendar. Carried by unanimous vote.

MUNICIPAL CODE 2015 (506-2-30)

5. MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE ORDINANCES CONSIDERED AT THIS MEETING AND PROVIDING THAT SUCH ORDINANCES SHALL BE INTRODUCED AND/OR ADOPTED AFTER A READING OF THE TITLE ONLY. (City Clerk)

ACTION: Approved. See above.

APPROVAL OF MINUTES

6. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION – HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY OF NOVEMBER 17, 2015. (City Clerk)

ACTION: Approved. See above.

GRANT / LIBRARY (206-4-10)

7. Resolution No. 2015-175. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY RATIFYING THE ACCEPTANCE OF A \$27,267 AUGMENTATION TO THE CALIFORNIA LIBRARY LITERACY SERVICES (CLLS) GRANT, FISCAL YEAR 2015-16, FOR THE NATIONAL CITY LIBRARY'S LITERACY PROGRAM, INCREASING THE TOTAL AMOUNT OF THE GRANT FROM \$18,000 TO \$45,267, AND AUTHORIZING THE ESTABLISHMENT OF FUND APPROPRIATIONS AND A CORRESPONDING REVENUE BUDGET. (Library)

ACTION: Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

CONSENT CALENDAR (cont.)

CONTRACT (C2003-14)

8. Resolution No. 2015-176. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH KOFF & ASSOCIATES IN AN AMOUNT NOT EXCEED \$78,890 FOR THE COMPLETION OF A COMPREHENSIVE COMPENSATION STUDY AND ANALYSIS OF THE CITY'S CONFIDENTIAL, EXECUTIVE, MANAGEMENT, MUNICIPAL EMPLOYEES ASSOCIATION AND PART-TIME EMPLOYEE GROUPS. (Human Resources)

ACTION: Adopted. See above.

CONTRACT (C2013-35)

9. Resolution No. 2015-177. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) ACCEPTING THE WORK OF PAL GENERAL ENGINEERING, INC. FOR THE COMMUNITY CORRIDORS IMPROVEMENT PROJECT, CIP NO. 12-05, 2) APPROVING THE FINAL CONTRACT AMOUNT OF \$2,858,027.18, 3) RATIFYING THE RELEASE OF RETENTION IN THE AMOUNT OF \$142,901.42, AND 4) AUTHORIZING THE MAYOR TO SIGN THE NOTICE OF COMPLETION FOR THE PROJECT. (Engineering/Public Works)

ACTION: Adopted. See above.

PARKING & TRAFFIC CONTROL ADMIN 2015 (801-2-36)

10. Resolution No. 2015-178. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE INSTALLATION OF "KEEP CLEAR" PAVEMENT MARKINGS ON THE WESTBOUND TRAVEL LANES OF W. 19TH STREET IN FRONT OF THE INGRESS AND EGRESS DRIVEWAYS SERVICING 1001 W. 19TH STREET. (Costco Optical Laboratory and Distribution Center) (TSC No. 2015-18) (Engineering/Public Works)

ACTION: Adopted. See above.

PARKING & TRAFFIC CONTROL ADMIN 2015 (801-2-36)

11. Resolution No. 2015-179. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE CONVERSION AND INSTALLATION OF 30 FEET OF UNRESTRICTED CURBSIDE PARKING TO "YELLOW CURB", COMMERCIAL LOADING IN FRONT OF 1010 W. 19TH STREET. (Q.E.D. Systems, Inc.) (TSC No. 2015-19) (Engineering/Public Works)

ACTION: Adopted. See above.

CONSENT CALENDAR (cont.)

DEED (D2015-1)

12. Resolution No. 2015-180. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE PARCEL MAP AND ACCEPTING AN EASEMENT FOR EMERGENCY VEHICLE ACCESS FOR INGRESS AND EGRESS, ALONG AND ACROSS ALL THAT REAL PROPERTY SITUATED AT 240 NORTON AVENUE IN THE CITY OF NATIONAL CITY. (Engineering/Public Works)

ACTION: Adopted. See above.

WARRANT REGISTER JULY 2015 – JUNE 2016 (202-1-30)

13. Warrant Register #16 for the period of 10/14/15 through 10/20/15 in the amount of \$1,475,182.65. (Finance)

ACTION: Ratified. See above.

WARRANT REGISTER JULY 2015 – JUNE 2016 (202-1-30)

14. Warrant Register #17 for the period of 10/21/15 through 10/27/15 in the amount of \$2,502,135.51. (Finance)

ACTION: Ratified. See above.

PUBLIC HEARINGS

CONDITIONAL USE PERMITS 2015 (403-30-1)

15. Public Hearing – Conditional Use Permit for beer sales at Chipotle Restaurant located at 404 Mile of Cars Way. (Applicant: Chipotle Mexican Grill, Inc.) (Case File 2015-18 CUP) (Planning)

RECOMMENDATION: Staff recommends approval of the Conditional Use Permit.

TESTIMONY: Margaret Taylor and Joseph Cano appeared on behalf of the applicant and responded to questions.

ACTION: Motion by Sotelo-Solis, seconded by Cano, to close the Public Hearing. Carried by unanimous vote.

ORDINANCES FOR INTRODUCTION

MUNICIPAL CODE 2015 (506-2-30)

16. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AMENDING CHAPTER 6.04 OF THE NATIONAL CITY MUNICIPAL CODE BY AMENDING SECTION 6.04.210 TO EXTEND THE FREE RESOURCE AND ENERGY BUSINESS EVALUATION (FREBE) PROGRAM. (Planning) **Companion Items #4 and #17**

NON CONSENT RESOLUTIONS

CONTRACT (C2015-16)

17. Resolution No. 2015-181. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF CHULA VISTA TO PROVIDE IN-KIND SERVICES TO IMPLEMENT THE FREE RESOURCE AND ENERGY BUSINESS EVALUATION (FREBE) PROGRAM. (Planning) **Companion Items #4 and #16**
RECOMMENDATION: Adopt the Resolution authorizing the Mayor to execute the Memorandum of Understanding.

TESTIMONY: None.

ACTION: Motion by Sotelo-Solis, seconded by Rios, to adopt the Resolution. Carried by unanimous vote.

CONDITIONAL USE PERMITS 2015 (403-30-1)

18. Resolution No. 2015-182. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING A CONDITIONAL USE PERMIT FOR BEER SALES AT CHIPOTLE RESTAURANT LOCATED AT 404 MILE OF CARS WAY. (Applicant: Chipotle Mexican Grill, Inc.) (Case File 2015-18 CUP) (Planning)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Cano, seconded by Mendivil, to adopt the Resolution. Carried by the following vote, to-wit: Ayes: Cano, Mendivil, Morrison, Rios. Nays: Sotelo-Solis. Abstain: None. Absent: None.

NEW BUSINESS

MARTIN LUTHER KING JR. COMMUNITY CENTER (1101-5-1)

19. Request to use Martin Luther King Jr. Community Center (North & South Rooms) by National City College Campus Lions Club for their 8th annual Spirit of the Holidays toy and food giveaway to needy families of National City, on Saturday, December 19, 2015. Applicant anticipates approximately 300-450 families/children will be attending this year's event. The applicant is requesting a waiver of fees. (Engineering/Public Works)

RECOMMENDATION: Staff recommends approving the Facility Use Application with no waiver of fees.

TESTIMONY: Paul Robinson appeared on behalf of the applicant.

ACTION: Motion by Rios, seconded by Cano, to approve with waiver of fees. Carried by unanimous vote.

NEW BUSINESS (cont.)

CONDITIONAL USE PERMITS 2015 (403-30-1)

20. Notice of Decision – Planning Commission approval of a Conditional Use Permit for alcohol sales at a proposed Hooters Restaurant to be located in Westfield Plaza Bonita. (Applicant: Alcoholic Beverage Consulting on behalf of Hooters Restaurant) (Case File 2015-19 CUP) (Planning)

RECOMMENDATION: Staff concurs with the decision of the Planning Commission and recommends that the Notice of Decision be filed.

TESTIMONY: Steve Hearly appeared on behalf of the applicant and responded to questions.

ACTION: Motion by Rios, seconded by Mendivil, to set for Public Hearing. Carried by unanimous vote.

CONDITIONAL USE PERMITS 2015 (403-30-1)

21. Notice of Decision – Planning Commission approval of a Conditional Use Permit for a drive-through aisle as part of a new commercial building to be located at 1325 E. Plaza Blvd. (Applicant: Russell Stout & Associates) (Case File 2015-22 CUP) (Planning)

RECOMMENDATION: Staff concurs with the decision of the Planning Commission and recommends that the Notice of Decision be filed.

TESTIMONY: None.

ACTION: Motion by Cano, seconded by Mendivil, to approve staff recommendation. Carried by unanimous vote.

TEMPORARY USE PERMITS 2015 (203-1-31)

22. Temporary Use Permit – Community Ice Skating Rink sponsored by the National City Chamber of Commerce at Morgan Square from December 10, 2015 to December 11, 2015 with no waiver of fees. (Neighborhood Services)

RECOMMENDATION: After preparation of the agenda it was determined that the applicant was requesting \$3,100 from the City as a co-sponsor. Staff recommends Approve of Application for a Temporary Use Permit subject to compliance with all conditions of approval with no waiver of fees and requests City Council direction on the matter of being a co-sponsor.

TESTIMONY: Jacqueline Reynoso, Chamber of Commerce President and CEO spoke in favor and responded to questions.

ACTION: Motion by Sotelo-Solis, seconded by Rios, to approve the TUP including the co-sponsor request with no waiver of fees. The second was withdrawn. Motion died for lack of a second.

Motion by Rios, to approve the TUP with waiver of fees and the \$3,100.00 co-sponsor fee. Motion died for lack of a second.

Motion by Sotelo-Solis, seconded by Rios, to approve with no waiver of fees and the City not be a co-sponsor for \$3,100.00. Carried by unanimous vote.

NEW BUSINESS (cont.)

TEMPORARY USE PERMITS 2015 (203-1-31)

23. Temporary Use Permit – 6th Annual Mabuhay Festival at Kimball Park on June 11, 2016 from 10 a.m. to 4 p.m. (Neighborhood Services)

RECOMMENDATION: Approve the Application for a Temporary Use Permit subject to compliance with all conditions of approval with no waiver of fees. Staff does not recommend the use of air-jumpers for this event.

TESTIMONY: Ditas Yamane, National City, responded to questions.

ACTION: Motion by Sotelo-Solis, seconded by Cano, to approve staff recommendation. Carried by unanimous vote.

XXXXX

24. Presentation of AB 243, discussion of the recent state adopted legislation providing for state regulation of the cultivation of marijuana (AB 243) unless there is a local ordinance prohibiting or regulating cultivation in effect prior to March 1, 2016, whether the City Council as a policy decision seeks to prohibit or regulate the cultivation, and seeking direction to staff regarding a potential cultivation ordinance (regulation or prohibition). (Planning/City Attorney)

RECOMMENDATION: Provide direction to staff.

TESTIMONY: Cynara Velazquez, San Diego, spoke in support of marijuana cultivation.

Zack Lazaras, no residence provided, spoke in support of marijuana cultivation.

Veronica Cuevas, National City, spoke in support of marijuana cultivation.

Joseph Blachard, National City, spoke in support of marijuana cultivation.

Dr. David Blair, Chula Vista, spoke in support of marijuana cultivation.

Michael Mossbarger, National City, spoke in support of marijuana cultivation.

John Borjn, National City Chamber of Commerce, supports local regulation rather than prohibition.

Jessie Navarro, San Diego, spoke against marijuana cultivation.

EX PARTE DISCLOSURE: Members Morrison and Rios reported that they watched the web-cast of the Planning Commission meeting. Member Mendivil reported that he met with the proponents of cultivation.

Jacqueline Reynoso, National City Chamber CEO read a letter from the Chamber supporting local regulation of marijuana cultivation but not prohibition.

ACTION: No vote taken.

COMMUNITY DEVELOPMENT COMMISSION –
HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY

NO AGENDA ITEMS

STAFF REPORTS

FINANCE DEPT ADMIN (1104-1-13)

25. Recognition of Fiscal Year 2016 Adopted Budget Cover Photo Contest
Winner: Dora Gallegos. (Finance)

ENGINEERING DEPT - GRANTS / REPORTS ADMIN (1104-1-1)

26. Update on Improvements to National City Library, Council Chambers, and
Large Conference Room. (Engineering/Public Works)

LAS PALMAS PARK ADMIN (702-3-1)

27. Update on interim skate park location at Las Palmas Park. (Community
Services)

HUMAN RESOURCES DEPT ADMIN (1104-1-2)

28. 2015 Holiday Closure and Employee Work Furlough. (Human Resources)

MAYOR AND CITY COUNCIL

Member Mendivil said he will continue to advocate for people and businesses to do come clean-up in the City, said he looked forward to updates on the Shopping cart program which seems to be working as well as to hear about the Alpha Project. Member Mendivil said he was hoping to find out the name of the volunteer group that regularly cleans the flood channel.

Member Sotelo-Solis expressed appreciation to staff for their commitment to the community and for always responding to questions and inquiries from Council and additional kudos to staff for the recent WITOD dedication. Member Sotelo-Solis said it was great to see the young people at the meeting and the increasing signs of the holiday season throughout the community.

Member Rios thanked staff for their commitment to the community; inquired about the status of the sand bag machine; encouraged permit applicants to refrain from publicizing their events until approved by the City Council and said she has noticed a number of canopies throughout the City.

MAYOR AND CITY COUNCIL (cont.)

Vice Mayor Cano reminded everyone about the War Memorial Re-dedication, inquired about the price for the tiles at the memorial and thanked Engineering/Pubic Works for responding to storm related issues he has referred to them.

Mayor Morrison extended birthday wishes to Member Cano, discussed the importance of agencies working together to get needed permits and approvals for El Nino related problems and reported on his selection and participation as one of eight Mayors in the nation in a 3-day Urban Planning symposium sponsored by Rice University, the Kinder Institute and the National Conference of Mayors in Houston Texas. The Mayor listed the upcoming holiday events for the coming week and reported that *Circulate San Diego* has designated National City as the Most Walkable City in the County

CLOSED SESSION REPORT

City Attorney Claudia Silva reported that the City Council met on five items in Closed Session and that there was one item to report out on. That was the Bay Shore Management vs City of National City matter. The City Council approved a settlement in Closed Session on a 5 to 0 vote generally on the terms of a \$7,500 payment, assignment of claims and a letter asking for assistance in seeking their requested funding. (See attached Exhibit 'L')

ADJOURNMENT

Motion by Sotelo-Solis, seconded by Cano, to adjourn the meeting to the next Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City to be held Tuesday, December 15, 2015 at 6:00 p.m. at the Council Chambers, National City, California. Carried by unanimous vote.

The meeting closed at 10:21 p.m.

City Clerk

The foregoing minutes were approved at the Regular Meeting of December 15, 2015.

Mayor

City Council and Community Development Commission – Housing Authority of the City of National City Meeting Schedule for the Period of January 5, 2016 through January 19, 2016:

- January 05 – Dispense with Meeting
- January 19 – Regular Meeting

EXHIBIT 'L'



AGENDA OF A SPECIAL MEETING

CITY COUNCIL OF THE CITY OF NATIONAL CITY

Main Conference Room
Civic Center
1243 National City Boulevard
National City, California

Special Meeting – Tuesday, December 1, 2015 – 4:30 p.m.

ROLL CALL

CLOSED SESSION

CITY COUNCIL

1. Conference with Labor Negotiators – Government Code Section 54957.6
Agency Designated Representatives: Stacey Stevenson, Claudia Silva, Frank Parra, Mark Roberts, and Tim Davis
Employee Organization: Fire Fighters' Association
2. Conference with Labor Negotiators – Government Code Section 54957.6
Agency Designated Representatives: Stacey Stevenson, Claudia Silva, Jose Tellez, Mark Roberts, and Eddie Kreisberg
Employee Organization: Police Officers' Association
3. Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(a)
Bayshore Transit Management, Inc., et al. v. City of National City
San Diego Superior Court Case No. 37-2014-00040243-CU-BC-CTL
4. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) and (e)(2)
EC Constructors v. City of National City (Matter set for mediation)
EC Constructors has asserted pending claims against the City based on the construction contract for the Aquatic Center.
5. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) and (e)(2)
Facts and circumstance might result in litigation against the City, but which the City believes are not yet known to a potential plaintiff or plaintiffs.

ADJOURNMENT

Next Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City will be held Tuesday, December 1, 2015, 6:00 p.m., Council Chambers, Civic Center

DRAFT

The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City authorizing the acceptance of the lowest, responsive, responsible bid, for the purchase of (1) unmarked 2015 Ford Taurus SEL FWD and (1) 2016 Ford Fusion SE, for the Police Department from Kearny

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. |

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the acceptance of the lowest, responsive, responsible bid, for the purchase of (1) unmarked 2015 Ford Taurus SEL FWD and (1) 2016 Ford Fusion SE, for the Police Department from Kearny Pearson Ford of San Diego, in the amount of \$49,477.34.

PREPARED BY: Debbie Lunt

DEPARTMENT: Finance

PHONE: 336-4582

APPROVED BY: 

EXPLANATION:

Request for Bid #GS1516-2 was issued for the purchase of one (1) 2015 Ford Taurus SEL AWD and (1) 2016 Ford Fusion SE, or equal. Bids were mailed to seventeen (17) vendors, netting one (1) response. Bids were opened and publicly read on November 30, 2015, with no vendors present for the opening. The vehicles are unmarked units for the Police Department.

FINANCIAL STATEMENT:

ACCOUNT NO.

644-411-000-511-0000 - \$49,477.34

APPROVED: 

Finance

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION: ☐ FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Adopt the Resolution, accepting the bid and authorizing the purchase.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Resolution
2. Bid Abstract

[illegible]

RESOLUTION NO. 2015 –

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING THE ACCEPTANCE OF THE LOWEST, RESPONSIVE,
RESPONSIBLE BID, FOR THE PURCHASE OF ONE 2015 FORD TAURUS SEL FWD
AND ONE 2016 FORD FUSION SE IN THE AMOUNT OF \$49,477.34 FROM
KEARNY PEARSON FORD OF SAN DIEGO TO BE USED AS UNMARKED
VEHICLES FOR THE POLICE DEPARTMENT,

WHEREAS, Bid No. GS1516-2 was issued for the purchase of one (1) 2015 Ford Taurus SEL FWD and one (1) 2016 Ford Fusion SE, or equal, to be used as unmarked vehicles for the Police Department; and

WHEREAS, bids were mailed to 17 vendors, netting one (1) response; and

WHEREAS, on November 30, 2015, bids were opened and publicly read with no vendors present for the opening.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby awards the contract for the purchase of one (1) 2015 Ford Taurus SEL FWD and one (1) 2016 Ford Fusion SE to the lowest responsive bidder, to wit:

KEARNY PEARSON FORD OF SAN DIEGO

BE IT FURTHER RESOLVED that the City Council of the City of National City hereby authorizes the purchase of one (1) 2015 Ford Taurus SEL FWD and one (1) 2016 Ford Fusion SE from Kearny Pearson Ford of San Diego in the amount of \$49,477.34, to be used as unmarked vehicles for the Police Department.

PASSED and ADOPTED this 15th day of December, 2015.

Ron Morrison, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Claudia Gacitua Silva
City Attorney

The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City authorizing the acceptance of the lowest, responsive, responsible bid, for the purchase of (1) unmarked 2016 Kia Optima EX, for the Police Department from Team Kia of El Cajon, in the amount of \$

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. |

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the acceptance of the lowest, responsive, responsible bid, for the purchase of (1) unmarked 2016 Kia Optima EX, for the Police Department from Team Kia of El Cajon, in the amount of \$25,981.27

PREPARED BY: Debbie Lunt

PHONE: 336-4582

EXPLANATION:

Request for Bid #GS1516-3 was issued for the purchase of one (1) 2016 Kia Optima EX, or equal. Bids were mailed to twelve (12) vendors, netting three (3) responses. Bids were opened and publicly read on November 30, 2015, with no vendors present for the opening. The vehicle is an unmarked unit for the Police Department.

DEPARTMENT: Finance

APPROVED BY: 

FINANCIAL STATEMENT:

ACCOUNT NO.

644-411-000-511-0000 - \$25,981.27

APPROVED: 

Finance

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION: ☐

FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Adopt the Resolution, accepting the bid and authorizing the purchase.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Resolution
2. Bid Abstract

[illegible]

RESOLUTION NO. 2015 –

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING THE ACCEPTANCE OF THE LOWEST, RESPONSIVE,
RESPONSIBLE BID, FOR THE PURCHASE OF ONE UNMARKED 2016
KIA OPTIMA EX, IN THE AMOUNT OF \$25,981.27 FROM TEAM KIA OF EL CAJON
TO BE USED AS AN UNMARKED VEHICLE BY THE POLICE DEPARTMENT

WHEREAS, Bid No. GS1516-3 was issued for the purchase of one (1) 2016 Kia Optima EX, or equal, to be used as an unmarked vehicle for the Police Department; and

WHEREAS, bids were mailed to 12 vendors, netting three (3) responses; and

WHEREAS, on November 30, 2015, bids were opened and publicly read with no vendors present for the opening.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby awards the contract for the purchase of one (1) 2016 Kia Optima EX to the lowest responsive bidder, to wit:

TEAM KIA OF EL CAJON

BE IT FURTHER RESOLVED that the City Council of the City of National City hereby authorizes the purchase of one (1) 2016 Kia Optima EX from Team Kia of El Cajon in the amount of \$25,981.27, to be used as an unmarked vehicle for the Police Department.

PASSED and ADOPTED this 15th day of December, 2015.

Ron Morrison, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Claudia Gacitua Silva
City Attorney

The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City approving an amendment to the salary schedule for the Part-Time and Seasonal employee group, moving the Cashier, Dishwasher, Kitchen Aide and Recreation Aide from salary range pt039 to pt042 and

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. |

ITEM TITLE:

Resolution of the City Council of the City of National City approving an amendment to the salary schedule for the Part-Time and Seasonal employee group, moving the Cashier, Dishwasher, Kitchen Aide and Recreation Aide from salary range pt039 to pt042 and moving the Recreation Leader I classification from salary range pt042 to pt045, effective December 22, 2015.

PREPARED BY: Stacey Stevenson

DEPARTMENT: Human Resources

PHONE: 336-4308

APPROVED BY:



EXPLANATION:

In September 25, 2013, California Governor Jerry Brown signed a Bill approving a \$2 minimum wage increase. The Bill increases the State's minimum wage from \$8.00 to \$10.00 in two steps: a \$1.00 increase in July, 2014; and a \$1.00 increase in January, 2016. Under the current City of National City compensation plan, there are four active classifications with top pay steps that are below \$10.00. In order to comply with the State law, staff hereby requests authorization to move those four classifications to new salary ranges: Cashier, Dishwasher, Kitchen Aide and Recreation Aide and from pt039 to pt042; and Recreation Leader I from pt042 to pt045, effective December 22, 2015.

Should the City Council approve this adjustment, the following classifications will receive a step increase in order to maintain the appropriate pay differentials within the classification series: Recreation Leader II and III, Food Service Worker and Home Delivered Meals Driver.

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO.

The estimated fiscal impact of the requested range adjustments is \$4,619. An additional estimated \$15,298 is required for trickle down adjustments. These costs will be paid from budgeted personnel funds in the Community Services and Housing, Grants & Asset Management Departments.

ENVIRONMENTAL REVIEW:

This is not a project and is therefore not subject to environmental review.

ORDINANCE: **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Adopt the resolution approving the amendment to the salary schedule for the Part-Time and Seasonal employee group.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Resolution
Part-Time and Seasonal Employee Salary Schedule

City of National City
Human Resources Department

PART-TIME and SEASONAL POSITIONS

POSITION TITLE	SALARY RANGE	HOURLY SALARY
Aquatics Manager	pt086	\$12.04 – \$14.64
Cashier	pt042	\$8.27 – \$10.05
Dishwasher	pt042	\$8.27 – \$10.05
Equipment Service Trainee	pt057	\$9.37 – \$11.39
Food Services Worker	pt053	\$9.03 – \$10.98
Home Delivered Meals Driver	pt059	\$9.52 – \$11.58
Kitchen Aide	pt042	\$8.27 – \$10.05
Librarian	pt160	\$23.87 – \$29.01
Library Assistant	pt099	\$13.92 – \$16.92
Library Clerk (Grant Funded)	pt066	\$10.11 – \$12.30
Library Technician	pt124	\$17.27 – \$20.99
Lifeguard/Swim Instructor	pt064	\$9.94 – \$12.09
Management Intern (Graduate)	N/A	\$16.00
Management Intern (Undergraduate)	N/A	\$13.00
Office Aide	pt065	\$10.03 – \$12.19
Police Cadet	pt047	\$8.59 – \$10.44
Police Dispatcher	pt149	\$21.61 – \$26.26
Police Records Clerk	pt099	\$13.92 – \$16.92

City of National City
Human Resources Department

PART-TIME and SEASONAL POSITIONS

POSITION TITLE	SALARY RANGE	HOURLY SALARY
Property & Evidence Specialist I	pt132	\$18.50 – \$22.49
Recreation Aide	pt042	\$8.27 – \$10.05
Recreation Leader I	pt045	\$8.48 – \$10.31
Recreation Leader II	pt054	\$9.10 – \$11.07
Recreation Leader III	pt064	\$9.94 – \$12.09
Recreation Specialist	pt059	\$9.52 – \$11.58
Seasonal Park Aide	pt080	\$11.42 – \$13.88
Senior Library Technician	pt129	\$18.07 – \$21.97
Senior Lifeguard	pt075	\$10.93 – \$13.28
Stock Clerk/Storekeeper	pt059	\$9.52 – \$11.58
Student Worker	pt047	\$8.59 – \$10.44

RESOLUTION NO. 2015 –

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
APPROVING AN AMENDMENT TO THE SALARY SCHEDULE FOR
THE PART-TIME AND SEASONAL EMPLOYEE GROUP, MOVING
THE CASHIER, DISHWASHER, KITCHEN AIDE, AND RECREATION AID
FROM SALARY RANGE PT039 TO PT042, AND MOVING THE RECREATION
LEADER I CLASSIFICATION FROM SALARY RANGE PT 042 TO PT 045,
EFFECTIVE DECEMBER 22, 2015

WHEREAS, on September 25, 2013, Governor Jerry Brown signed a Bill approving a \$2 minimum wage increase, increasing the State's minimum wage from \$8.00 an hour to \$10.00 an hour in two steps: a \$1.00 increase in July, 2014, and a \$1.00 increase in January 2016; and

WHEREAS, under the current National City compensation plan, there are four active classifications with top pay steps that are below \$10.00 an hour; and

WHEREAS, to comply with State law, it is necessary to move four classifications to new salary ranges, effective December 22, 2015:

CLASSIFICATION	FROM	TO
Casher, Dishwasher, Kitchen Aide, Recreation Aide	pt 039	pt042

WHEREAS, to prevent salary compaction, it is necessary to move one classification to a new salary range effective December 22, 2015:

CLASSIFICATION	FROM	TO
Recreation Leader I	pt042	pt045

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby approves an amendment to the Salary Schedule for the Part-Time And Seasonal Employee Group, moving the cashier, dishwasher, kitchen aide, and recreation aid from salary range pt039 to pt042, and moving the recreation leader I classification from pt042 to pt045, effective December 22, 2015.

PASSED and ADOPTED this 15th day of December, 2015.

Ron Morrison, Mayor

ATTEST:

APPROVED AS TO FORM:

Michael R. Dalla, City Clerk

Claudia Gacitua Silva
City Attorney

The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City adopting City Council Policy #203, "Investments," as amended, for Fiscal Year 2016, adding sub-sections "1.b" and "14.a" through "14.e" to section VIII and adding "Supranational" to the Glossary

CITY OF NATIONAL CITY, CALIFORNIA COUNCIL AGENDA STATEMENT

MEETING DATE: December 15, 2015

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City adopting City Council Policy # 203, "Investments," as amended, for Fiscal Year 2016, adding sub-sections "1.b" and "14.a" through "14.e" to section VIII, and adding "Supranational" to the Glossary of Investment Terms.

PREPARED BY: Mark Roberts, Director of Finance

DEPARTMENT: Finance

PHONE: 619-336-4265

APPROVED BY: _____

EXPLANATION:

City Council Policy # 203, "Investments," Section XII C requires that the City's investment policy be reviewed and adopted at least annually. Following review by staff and consultation of the City's investment advisor, Chandler Asset Management, staff recommends the addition of the subsections below to Section VIII and Glossary of Investment Terms.

Authorized and Suitable Investments:

- 1.b No more than 30% of the total portfolio may be invested in municipal bonds.
- 14. Supranationals, provided that:
 - a. Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
 - b. The securities are rated "AA" or higher by a NRSRO.
 - c. No more than 30% of the total portfolio may be invested in these securities.
 - d. No more than 10% of the portfolio may be invested in any single issuer.
 - e. The maximum maturity does not exceed five (5) years.

Glossary of Investment Terms:

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

No other revisions are recommended at this time.

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

NA

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE:

INTRODUCTION:

☐

FINAL ADOPTION:

☐

STAFF RECOMMENDATION:

Adopt the resolution, adopting City Council Policy 203, "Investments."

BOARD / COMMISSION RECOMMENDATION:

NA

ATTACHMENTS:

- 1. Investment Policy
- 2. Resolution

CITY COUNCIL POLICY

CITY OF NATIONAL CITY

TITLE: Investments	POLICY #203
ADOPTED: October 23, 1990	AMENDED: December 15, 2015

I. INTRODUCTION

The City of National City's investment program will conform with federal, state, and other legal requirements, including California Government Code Sections 16429.1-16429.4, 53600-53609 and 53630-53686. The following investment policy addresses the methods, procedures and practices which must be exercised to ensure effective and judicious fiscal and investment management of the City's funds. It is the policy of the City to invest public funds in a manner that will provide a market rate of return, given its requirements for preserving principal and meeting the daily cash flow demands of the City. All investments will comply with this Investment Policy and governing laws.

This Investment Policy replaces any previous Investment Policy or Investment Procedures of the City.

II. SCOPE

This Investment Policy applies to all the City's financial assets and investment activities with the following exceptions:

- A. Proceeds of debt issuance shall be invested in accordance with the City's general investment philosophy as set forth in this policy; however, such proceeds are invested in accordance with permitted investment provisions of their specific bond indentures.

Pooling of Funds: Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. GENERAL OBJECTIVES

The overriding objectives of the investment program are to preserve principal, provide sufficient liquidity, and manage investment risks.

TITLE: Investments	POLICY #203
ADOPTED: October 23, 1990	AMENDED: December 15, 2015

1. *Safety*: Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
2. *Liquidity*: The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
3. *Return*: The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

IV. PRUDENCE, INDEMNIFICATION, AND ETHICS

- A. *Prudent Investor Standard*: Management of the City's investments is governed by the Prudent Investor Standard as set forth in the California Government Code 53600.3:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

- B. *Indemnification*: The Director of Finance or City Manager designee hereinafter designated as Financial Services Officer and other authorized persons responsible for managing City funds, acting in accordance with written procedures and the Investment Policy and exercising due diligence, will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments.
- C. *Ethics*: Officers and employees involved in the investment process will refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

TITLE: Investments	POLICY #203
ADOPTED: October 23, 1990	AMENDED: December 15, 2015

V. DELEGATION OF AUTHORITY

- A. Authority to manage the City's investment program is derived from the California Government Code Section 53600 *et seq.* The City Council is responsible for the City's cash management, including the administration of this Investment Policy. Management responsibility for the cash management of City funds is hereby delegated to the Director of Finance and/or Financial Service Officer.

The Director of Finance and/or Financial Services Officer will be responsible for all transactions undertaken and will establish a system of procedures and controls to regulate the activities of subordinate employee.

- B. The City may engage the services of one or more external investment managers to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

VI. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND BROKER/DEALERS

A list will be maintained of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by conducting a process of due diligence described in the investment procedures manual. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

- A. The City's Director of Finance and/or Financial Services Officer will determine which financial institutions are authorized to provide investment services to the City. Institutions eligible to transact investment business with the City include:
1. Primary government dealers as designated by the Federal Reserve Bank;
 2. Nationally or state-chartered banks;
 3. The Federal Reserve Bank; and
 4. Direct issuers of securities eligible for purchase.
- B. Selection of financial institutions and broker/dealers authorized to engage in transactions with the City will be at the sole discretion of the City.

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- C. All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the Director of Finance and/or Financial Services Officer with a statement certifying that the institution has reviewed the California Government Code Section 53600 *et seq.* and the City's Investment Policy.
- D. Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the investment adviser.
- E. Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

VII. DELIVERY, SAFEKEEPING AND CUSTODY, AND COMPETITIVE TRANSACTIONS

- A. *Delivery-versus-payment*: Settlement of all investment transactions will be completed using standard delivery-vs.-payment procedures.
- B. *Third-party safekeeping*: To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all securities owned by the City will be held in safekeeping by a third party bank custodian, acting as agent for the City under the terms of a custody agreement executed by the bank and the City.
- C. *Competitive transactions*: All investment transactions will be conducted on a competitive basis which can be executed through a bidding process involving at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform.

VIII. AUTHORIZED AND SUITABLE INVESTMENTS

All investments will be made in accordance with Sections 53600 *et seq.* of the Government Code of California and as described within this Investment Policy. Permitted investments under this policy will include:

1. **Municipal Bonds.** These include bonds of the City, the state of California, any other state, and any local Agency within the state of California. The bonds will be registered in the name of the City or held under a custodial agreement at a bank. The bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating

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service of nationally recognized expertise in rating bonds of states and their political subdivisions.

- a. No more than 5% per issuer.
 - b. No more than 30% of the total portfolio may be invested in municipal bonds.
2. **U.S. Treasury** and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the City may invest in U.S. Treasuries.
3. **Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments**, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the City may invest in government-sponsored enterprises.
4. **Banker's acceptances** provided that:
 - a. They are issued by institutions with short term debt obligations rated "A1" or higher, or the equivalent, by at least two nationally recognized statistical-rating organization (NRSRO); and have long-term debt obligations which are rated "A" or higher by at least two nationally recognized statistical rating organization;
 - b. The maturity does not exceed 180 days; and,
 - c. No more than 40% of the total portfolio may be invested in banker's acceptances and no more than 5% per issuer.
5. **Federally insured time deposits** (Non-negotiable certificates of deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:
 - a. The amount per institution is limited to the maximum covered under federal insurance; and,
 - b. The maturity of such deposits does not exceed 5 years.

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6. Certificate of Deposit Placement Service (CDARS)

- a. No more than 30% of the total portfolio may be invested in a combination of certificates of deposit including CDARS.
- b. The maturity of CDARS deposits does not exceed 5 years.

7. Negotiable certificates of deposit (NCDs), provided that:

- a. They are issued by institutions which have long-term obligations which are rated “A” or higher by at least two nationally recognized statistical rating organizations; and/or have short term debt obligations rated “A1” or higher, or the equivalent, by at least two nationally recognized statistical rating organizations;
- b. The maturity does not exceed 5 years; and,
- c. No more than 30% of the total portfolio may be invested in NCDs and no more than 5% per issuer.

8. Commercial paper provided that:

- a. The maturity does not exceed 270 days from the date of purchase;
- b. The issuer is a corporation organized and operating in the United States with assets in excess of \$500 million;
- c. They are issued by institutions whose short term obligations are rated “A1” or higher, or the equivalent, by at least two nationally recognized statistical rating organization; and whose long-term obligations are rated “A” or higher by at least two nationally recognized statistical rating organization; and,
- d. No more than 25% of the portfolio is invested in commercial paper and no more than 5% per issuer.

9. State of California Local Agency Investment Fund (LAIF), provided that:

- a. The City may invest up to the maximum permitted amount in LAIF; and,
- b. LAIF’s investments in instruments prohibited by or not specified in the City’s policy do not exclude it from the City’s list of allowable investments, provided that the fund’s reports allow the Director of Finance or Financial Services Officer to adequately judge the risk inherent in LAIF’s portfolio.

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10. Local government investment pools.

- a. San Diego County Investment Pool

11. Corporate medium term notes (MTNs), provided that:

- a. Such notes have a maximum maturity of 5 years;
- b. Are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States;
- c. Are rated "A" category or better by at least two nationally recognized statistical rating organization; and,
- d. Holdings of medium-term notes may not exceed 30% of the portfolio and no more than 5% per issuer.

12. Mortgage pass-through securities and asset-backed securities, provided that such securities:

- a. Have a maximum stated final maturity of 5 years;
- b. Be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by at least two nationally recognized statistical rating organization;
- c. Be rated in a rating category of "AA" or its equivalent or better by at least two nationally recognized statistical rating organization.
- d. Purchase of securities authorized by this subdivision may not exceed 20% of the portfolio.

13. Money market mutual funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940:

- a. Provided that such funds meet either of the following criteria:
 - 1. Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations; or,
 - 2. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government

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Code Section 53601 (a through j) and with assets under management in excess of \$500 million.

- b. Purchase of securities authorized by this subdivision may not exceed 20% of the portfolio.

14. Supranationals, provided that:

- a. Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- b. The securities are rated “AA” or higher by a NRSRO.
- c. No more than 30% of the total portfolio may be invested in these securities.
- d. No more than 10% of the portfolio may be invested in any single issuer.
- e. The maximum maturity does not exceed five (5) years.

IX. PORTFOLIO RISK MANAGEMENT

A. The following are prohibited investment vehicles and practices:

- 1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- 2. In accordance with Government Code Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- 3. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.
- 4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- 5. Purchasing or selling securities on margin is prohibited.
- 6. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.

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7. The purchase of foreign currency denominated securities is prohibited.

B. Mitigating credit risk in the portfolio

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City will mitigate credit risk by adopting the following strategies:

1. The diversification requirements included in Section IX are designed to mitigate credit risk in the portfolio;
2. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and enterprises;
3. The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity, or yield of the portfolio in response to market conditions or the City's risk preferences; and,
4. If securities owned by the City are downgraded by either Moody's or S&P to a level below the quality required by this Investment Policy, it will be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
 - a. If a security is downgraded, the Director of Finance and/or Financial Services Officer will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
 - b. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Council.

C. Mitigating market risk in the portfolio

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes. The City further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the

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portfolio differently in different interest rate environments. The City, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

1. The City will maintain a minimum of three months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements;
2. The maximum percent of callable securities (does not include “make whole call” securities as defined in the Glossary) in the portfolio will be 20%;
3. The maximum stated final maturity of individual securities in the portfolio will be five years, except as otherwise stated in this policy; and;
4. The duration of the portfolio will at all times be approximately equal to the duration (typically plus or minus 20%) of a Market Benchmark Index selected by the City based on the City’s investment objectives, constraints and risk tolerances. The City’s current Benchmark will be documented in the investment procedures manual.

X. INVESTMENT OBJECTIVES (PERFORMANCE STANDARDS AND EVALUATION)

- A. **Overall objective:** The investment portfolio will be designed with the overall objective of obtaining a total rate of return throughout economic cycles, commensurate with investment risk constraints and cash flow needs.
- B. **Specific objective:** The investment performance objective for the portfolio will be to earn a total rate of return over a market cycle which is approximately equal to the return on the Market Benchmark Index as described in the City’s investment procedures manual.

XI. PROCEDURES AND INTERNAL CONTROLS

- A. **Procedures:** The Director of Finance and/or Financial Services Officer will establish written investment policy procedures in a separate investment procedures manual to assist investment staff with day-to-day operations of the investment program consistent with this policy. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance and/or Financial Services Officer.
- B. **Internal Controls:** The Director of Finance and/or Financial Services Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure will be

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designed to provide reasonable assurance that these objectives are met. Internal controls will be described in the City's investment procedures manual.

XII. REPORTING

A. Monthly reports: In accordance with Government Code section 53646, a local agency treasurer who has been delegated authority to invest or reinvest funds of the local agency by the legislative body must submit a monthly report to the legislative body accounting for transactions made during the reporting period.

B. Quarterly reports: Quarterly investment reports will be submitted by the Director of Finance and/or Financial Services Officer to the City Council, at an agenda meeting, consistent with the requirements contained in Government Code section 53646, including but not limited to the following information:

1. Type of investment
2. Name of issuer and/or financial institution
3. Date of purchase
4. Date of maturity
5. Current market value for all securities
6. Rate of interest
7. Purchase price of investment
8. Other data as required by the City

C. Annual reports: The Investment Policy will be reviewed and adopted at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law and financial and economic trends.

Related Policy References

Ca. Government Code Sections: 16429.1 – 16429.4, and 53600 – 53686
Investment Advisors Act of 1940
Securities and Exchange Commission Rule #15C3-1
Appendix I attached: "Authorized Personnel"
Appendix II attached: "Glossary of Investment Terms"

Prior Policy Amendments

December 16, 2014
December 10, 2013
January 10, 2012

Appendix I

Authorized Personnel

The following positions are authorized to transact investment business and wire funds for investment purposes on behalf of the City of National City:

City Manager
Director of Administrative Services
Director of Finance
Financial Services Officer

Appendix II

GLOSSARY OF INVESTMENT TERMS

Agencies. Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FDIC. The Federal Deposit Insurance Corporation provides insurance backed by the full faith and credit of the US government to certain bank deposits and debt obligations.

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “FreddieMac” issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “FannieMae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as “GinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government. Page 13 of 16

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio and Mississippi River valleys. TVA currently issues discount notes and bonds.

Asked. The price at which a seller offers to sell a security.

Average life. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

Banker’s acceptance. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

Benchmark. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

Bid. The price at which a buyer offers to buy a security.

Broker. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

Callable. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

Certificate of Deposit (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

Collateral. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

Collateralized Mortgage Obligations (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

Commercial paper. The short-term unsecured debt of corporations.

Cost yield. The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

Coupon. The rate of return at which interest is paid on a bond.

Credit risk. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Current yield. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

Dealer. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

Debenture. A bond secured only by the general credit of the issuer.

Delivery vs. payment (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

Derivative. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate or index.

Discount. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as **discount securities**. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

Diversification. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

Duration. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

Federal funds rate. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

Federal Open Market Committee: A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

Haircut: The margin or difference between the actual market value of a security and the value assessed by the lending side of a transaction (i.e. a repo).

Leverage. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

Liquidity: The speed and ease with which an asset can be converted to cash.

Make Whole Call. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

Margin: The difference between the market value of a security and the loan a broker makes using that security as collateral.

Market risk. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

Market value. The price at which a security can be traded.

Marking to market. The process of posting current market values for securities in a portfolio.

Maturity. The final date upon which the principal of a security becomes due and payable.

Medium term notes. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts either on a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

Modified duration. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

Money market. The market in which short term debt instruments (T-bills, discount notes, commercial paper and banker's acceptances) are issued and traded.

Mortgage pass-through securities. A securitized participation in the interest and principal cashflows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

Mutual fund. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

Premium. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

Prepayment speed. A measure of how quickly principal is repaid to investors in mortgage securities.

Prepayment window. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

Primary dealer. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

Prudent person (man) rule. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity

and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes.”

Realized yield. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

Regional dealer. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities, and that is not a primary dealer.

Repurchase agreement (RP, Repo). Short term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller’s point of view, the same transaction is a **reverse repurchase agreement**.

Safekeeping. A service to bank customers whereby securities are held by the bank in the customer’s name.

Short Term. Less than one (1) year’s time.

Structured note. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

Total rate of return. A measure of a portfolio’ performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. Treasury obligations. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues “cash management” bills as needed to smooth out cash flows.

Treasury notes. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

Treasury bonds. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

Value. Principal plus accrued interest.

Volatility. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

Yield to Maturity. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

RESOLUTION NO. 2015 –

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AMENDING CITY COUNCIL POLICY NO. 203 REGARDING "INVESTMENTS"
FOR FISCAL YEAR 2016, ADDING SUB-SECTIONS "1.B" AND "14.A"
THROUGH "14.E" TO SECTION VIII, AND ADDING "SUPRANATIONAL"
TO THE GLOSSARY OF INVESTMENT TERMS

BE IT RESOLVED by the City Council of the City of National City that Council Policy No. 203, entitled "Investments" has been reviewed, and is amended by adding sub-section "1.b" and "14.a" through 14.e" to section VIII, and adding "Supranational" to the Glossary of Investment Terms, as recommended by the Finance Director.

PASSED and ADOPTED this 15th day of December, 2015.

Ron Morrison, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Claudia Gacitua Silva
City Attorney

The following page(s) contain the backup material for Agenda Item: Warrant Register #18 for the period of 10/28/15 through 11/03/15 in the amount of \$1,152,020.73.
(Finance)

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. |

ITEM TITLE:

Warrant Register #18 for the period of 10/28/15 through 11/03/15 in the amount of \$1,152,020.73.
(Finance)

PREPARED BY: K. Apalategui

DEPARTMENT: Finance

PHONE: 619-336-4572

APPROVED BY: 

EXPLANATION:

Per Government Section Code 37208, attached are the warrants issued for the period of 10/28/15 through 11/03/15.

Consistent with Department of Finance practice, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check/Wire</u>	<u>Amount</u>	<u>Explanation</u>
New Century Construction 320398		265,253.66	D Ave and E 12 th St Roundabout

FINANCIAL STATEMENT:

ACCOUNT NO.

Reimbursement total \$1,152,020.73

APPROVED: 

Finance

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Ratification of warrants in the amount of \$1,152,020.73

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Warrant Register #18



WARRANT REGISTER #18

11/3/2015

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
RSA ATTN K9 TEAM	TUITION / K-9 TRAILS / POLICE	320319	11/2/15	170.00
4 IMPRINT INC	2015 STATE OF THE CITY ADDRESS-GIVE AWAYS	320320	11/3/15	2,541.51
ACEDO, I	RETIREE HEALTH BENEFITS / NOV 2015	320321	11/3/15	160.00
ANDERSON, E	RETIREE HEALTH BENEFITS / NOV 2015	320322	11/3/15	110.00
APWA	MEMBERSHIP: ANNUAL RENEWAL FEE	320323	11/3/15	115.00
ASPEN RISK MANAGEMENT GROUP	LIABILITY CLAIMS & RISK MGMNT SERVICES	320324	11/3/15	1,956.50
BARAJAS, V	REIMB: NACOLE CONFERENCE	320325	11/3/15	286.98
BARAWED, C	REIMB: ACAD INST CERT COURSE	320326	11/3/15	96.52
BEARD, P	RETIREE HEALTH BENEFITS / NOV 2015	320327	11/3/15	70.00
BECK, L	RETIREE HEALTH BENEFITS / NOV 2015	320328	11/3/15	140.00
BECKEL, W	REFUND: DEPOSIT #90105; INSPECTION	320329	11/3/15	1,658.48
BISHOP, R	RETIREE HEALTH BENEFITS / NOV 2015	320330	11/3/15	110.00
BOEGLER, C	RETIREE HEALTH BENEFITS / NOV 2015	320331	11/3/15	260.00
BOOT WORLD	MOP#64096 WEARING APPAREL	320332	11/3/15	125.00
BOYD JR, P	RETIREE HEALTH BENEFITS / NOV 2015	320333	11/3/15	145.00
BROADWAY AUTO ELECTRIC	MOP#72447 AUTO PARTS / PW	320334	11/3/15	133.60
CALIFORNIA COMMERCIAL SECURITY	MOP#45754 BUILDING SUPPLIES	320335	11/3/15	31.28
CARRILLO, R	RETIREE HEALTH BENEFITS / NOV 2015	320336	11/3/15	290.00
CLEAN HARBORS	HAZARDOUS MATERIAL DROP OFF SVC	320337	11/3/15	443.50
COLE, L	RETIREE HEALTH BENEFITS / NOV 2015	320338	11/3/15	165.00
CONDON, D	RETIREE HEALTH BENEFITS / NOV 2015	320339	11/3/15	280.00
CORPUZ, T	RETIREE HEALTH BENEFITS / NOV 2015	320340	11/3/15	140.00
COUNTY OF SAN DIEGO	SHARE OF PC REVENUE - SEPT 2015	320341	11/3/15	9,595.25
CYNTHIA TITGEN CONSULTING INC	RISK MANAGMENT CONSULTANT SVCS	320342	11/3/15	1,900.00
DALEY & HEFT LLP	LIABILITY CLAIM COSTS	320343	11/3/15	2,844.18
DALEY & HEFT LLP	LIABILITY CLAIM COSTS	320344	11/3/15	1,857.09
DALEY & HEFT LLP	LIABILITY CLAIM COSTS	320345	11/3/15	1,063.58
DALEY & HEFT LLP	LIABILITY CLAIM COSTS	320346	11/3/15	855.70
DALEY & HEFT LLP	LIABILITY CLAIM COSTS	320347	11/3/15	717.50
DANESHFAR, Z	RETIREE HEALTH BENEFITS / NOV 2015	320348	11/3/15	250.00
DEPARTMENT OF JUSTICE	NEW EMPLOYEE FINGERPRINT TEST - SEPT 2015	320349	11/3/15	772.00
DEPT OF TOXIC SUBSTANCES CONTROL CNTR	HAZARDOUS WASTE SERVICES	320350	11/3/15	2,595.00
DEPT OF TOXIC SUBSTANCES CONTROL CNTR	HAZARDOUS WASTE SERVICES	320351	11/3/15	465.00
DESROCHERS, P	RETIREE HEALTH BENEFITS / NOV 2015	320352	11/3/15	110.00
DI CERCHIO, A	RETIREE HEALTH BENEFITS / NOV 2015	320353	11/3/15	70.00
DILLARD, S	RETIREE HEALTH BENEFITS / NOV 2015	320354	11/3/15	480.00
D-MAX ENGINEERING	NC WASTEWATER SERVICES 2015-2016	320355	11/3/15	25,788.75
DREDGE, J	RETIREE HEALTH BENEFITS / NOV 2015	320356	11/3/15	250.00
EISER III, G	RETIREE HEALTH BENEFITS / NOV 2015	320357	11/3/15	250.00
FABINSKI, D	RETIREE HEALTH BENEFITS / NOV 2015	320358	11/3/15	220.00
GAUT, A	REIMB: COMMERCIAL LICENSE	320359	11/3/15	115.00
GELSKEY, K	RETIREE HEALTH BENEFITS / NOV 2015	320360	11/3/15	115.00
GIBBS JR, R	RETIREE HEALTH BENEFITS / NOV 2015	320361	11/3/15	120.00
GIL, S	REIMB: FIELD TRAINING OFFICER	320362	11/3/15	149.99
GONZALES, M	RETIREE HEALTH BENEFITS / NOV 2015	320363	11/3/15	480.00
GONZALEZ, D	REIMB: COMMERCIAL LICENSE	320364	11/3/15	71.00
GUNDERT, M	RETIREE HEALTH BENEFITS / NOV 2015	320365	11/3/15	350.00
HANSON, E	RETIREE HEALTH BENEFITS / NOV 2015	320366	11/3/15	135.00
HARLAN, M	RETIREE HEALTH BENEFITS / NOV 2015	320367	11/3/15	500.00



WARRANT REGISTER #18

11/3/2015

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
HARRIS & ASSOCIATES	8TH STREET SMART GROWTH PROJECT	320368	11/3/15	7,350.00
HARRIS & ASSOCIATES	REFUND T&A DEPOSIT # 90086 PLAN MONTELONGO	320369	11/3/15	180.00
HAUG, S	RETIREE HEALTH BENEFITS / NOV 2015	320370	11/3/15	120.00
HERNANDEZ, A	SUBSISTENCE: POST MNGMT COURSE /11/16/15 / PI	320371	11/3/15	624.00
HERNANDEZ, A	SUBSISTENCE: POST MNGMT COURSE /12/7/15/ PD	320372	11/3/15	624.00
HODGES, B	RETIREE HEALTH BENEFITS / NOV 2015	320373	11/3/15	200.00
HONDO, E	RETIREE HEALTH BENEFITS / NOV 2015	320374	11/3/15	110.00
HYDRO SCAPE PRODUCTS INC	MOP#45720 SUPPLIES	320375	11/3/15	222.60
JAMES, R	RETIREE HEALTH BENEFITS / NOV 2015	320376	11/3/15	140.00
JUNIEL, R	RETIREE HEALTH BENEFITS / NOV 2015	320377	11/3/15	50.00
KALANKIEWICZ, C	REIMB: 24 HR PERISHABLE SKILLS TRAINING / PD	320378	11/3/15	107.08
KIMBLE, R	RETIREE HEALTH BENEFITS / NOV 2015	320379	11/3/15	300.00
KONICA MINOLTA	COPIER EQUIPMENT LEASE - SEPT 2015	320380	11/3/15	6,327.11
LANDA, A	RETIREE HEALTH BENEFITS / NOV 2015	320381	11/3/15	155.00
LIMFUECO, M	RETIREE HEALTH BENEFITS / NOV 2015	320382	11/3/15	160.00
LONG, D	REIMB: 24 HR PERISHABLE SKILLS TRAINING / PD	320383	11/3/15	107.08
LOPEZ, T	TRANSLATION SERVICES / 9/15/15	320384	11/3/15	140.00
MALDONADO, J	RETIREE HEALTH BENEFITS / NOV 2015	320385	11/3/15	130.00
MATIENZO, M	RETIREE HEALTH BENEFITS / NOV 2015	320386	11/3/15	100.00
MC CABE, T	RETIREE HEALTH BENEFITS / NOV 2015	320387	11/3/15	280.00
MCDUGAL LOVE ECKIS	LIABILITY CLAIM COSTS	320388	11/3/15	501.50
MCLAUCHLIN, A	REIMB: DISPATCHERS' BASIC COURSE	320389	11/3/15	347.16
MEDINA, R	RETIREE HEALTH BENEFITS / NOV 2015	320390	11/3/15	105.00
METRO AUTO PARTS DISTRIBUTOR	MOP#75943 AUTO PARTS	320391	11/3/15	109.73
MINER, D	RETIREE HEALTH BENEFITS / NOV 2015	320392	11/3/15	580.00
MORRISON, R	REIMB: TOWER OF TERROR - YARDAGE TOWN	320393	11/3/15	295.93
MYERS, B	RETIREE HEALTH BENEFITS / NOV 2015	320394	11/3/15	140.00
NATIONAL CITY AUTO TRIM	MOP#72441 AUTO EQUIPMENT	320395	11/3/15	168.05
NATIONAL CITY CAR WASH	MOP#72454 AUTO EQUIPMENT	320396	11/3/15	480.00
NCPOA	TUITION: BULLETPROOF SPIRIT / PD	320397	11/3/15	25.00
NEW CENTURY CONSTRUCTION INC	D AVE AND E. 12TH ST ROUNDABOUT	320398	11/3/15	265,253.66
NOTEWARE, D	RETIREE HEALTH BENEFITS / NOV 2015	320399	11/3/15	120.00
PAUU JR, P	RETIREE HEALTH BENEFITS / NOV 2015	320401	11/3/15	340.00
PEASE JR, D	RETIREE HEALTH BENEFITS / NOV 2015	320402	11/3/15	140.00
PERRY FORD	MOP#45703 AUTO PARTS	320403	11/3/15	890.80
PETERS, S	RETIREE HEALTH BENEFITS / NOV 2015	320404	11/3/15	290.00
POST, R	RETIREE HEALTH BENEFITS / NOV 2015	320405	11/3/15	280.00
POWERSTRIDE BATTERY CO INC	MOP#67839 AUTO PARTS	320406	11/3/15	219.53
PRO BUILD	MOP#45707 SUPPLIES / PW	320407	11/3/15	265.04
PRUDENTIAL OVERALL SUPPLY	MOP#45742 LAUNDRY SERVICES	320408	11/3/15	198.43
RAY, S	RETIREE HEALTH BENEFITS / NOV 2015	320409	11/3/15	190.00
RELY ENVIRONMENTAL	ON-CALL ENVIRONMENTAL COMPLIANCE	320410	11/3/15	852.86
ROARK, L	RETIREE HEALTH BENEFITS / NOV 2015	320411	11/3/15	135.00
ROE, V	RETIREE HEALTH BENEFITS / NOV 2015	320412	11/3/15	120.00
RON BAKER CHEVROLET	MOP#45751 AUTO PARTS	320413	11/3/15	318.42
RUIZ, J	RETIREE HEALTH BENEFITS / NOV 2015	320414	11/3/15	310.00
SAM'S ALIGNMENT SERVICE	MOP#72442 AUTO EQUIPMENT SUPPLIES	320415	11/3/15	36.00
SAN DIEGO GAS & ELECTRIC	GAS & ELECTRIC - NUTRITON CENTER	320416	11/3/15	190.10
SAN DIEGO MIRAMAR COLLEGE	TUITION: 103RD REGIONAL ACADEMY	320417	11/3/15	690.00



WARRANT REGISTER #18

11/3/2015

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
SAN DIEGO MIRAMAR COLLEGE	TUITION: CPT REGIONAL OFFICER TRAINING	320418	11/3/15	92.00
SAN DIEGO MIRAMAR COLLEGE	TUITION: FIELD TRAINING OFFICER	320419	11/3/15	69.00
SAN DIEGO SPORTS MEDICINE	WELLNESS PHYSICALS / FIRE DEPARTMENT	320420	11/3/15	8,502.42
SANDAG	GRAFFITI TRACKER PROGRAM	320421	11/3/15	2,462.67
SERVATIUS, J	RETIREE HEALTH BENEFITS / NOV 2015	320422	11/3/15	340.00
SHANAHAN, M	SUBSISTENCE: CERT MOTORCYCLE TAINING / PD	320423	11/3/15	1,280.00
SHORT, C	RETIREE HEALTH BENEFITS / NOV 2015	320424	11/3/15	300.00
SMITH, J	RETIREE HEALTH BENEFITS / NOV 2015	320425	11/3/15	320.00
SOLORIO FILM PRODUCTIONS	2015 STATE OF THE CITY ADDRESS-PHOTO DOC	320426	11/3/15	200.00
SOUTH BAY MOTORSPORTS	R & M CITY VEHICLES	320427	11/3/15	1,808.45
SOUTHWEST SIGNAL SERVICE	MONTHLY MAINTENANCE / SEPT 2015	320428	11/3/15	9,442.27
SOUTHWESTERN COLLEGE	2015 STATE OF THE CITY ADDRESS-PERFORMANCE	320429	11/3/15	200.00
STATE WATER RESOURCES BOARD	SITE CLEANUP PROGRAM	320430	11/3/15	180.16
STRASEN, W	RETIREE HEALTH BENEFITS / NOV 2015	320431	11/3/15	135.00
SWRCB	ANNUAL PERMIT FEE / PW	320432	11/3/15	559.00
THE HOME DEPOT CREDIT SERVICES	52IN10DR STORAGE UNIT / PW	320433	11/3/15	1,327.14
TIPTON, B	RETIREE HEALTH BENEFITS / NOV 2015	320434	11/3/15	250.00
TOPECO PRODUCTS	MOP#63849 AUTO EQUIPMENT	320435	11/3/15	15.54
U S BANK	CREDIT CARD EXPENSES - FIRE	320436	11/3/15	1,319.90
U S HEALTHWORKS	PRE-EMPLOYMENT PHYSICAL	320437	11/3/15	651.00
VERRY, L	RETIREE HEALTH BENEFITS / NOV 2015	320438	11/3/15	280.00
VILLAGOMEZ, J	RETIREE HEALTH BENEFITS / NOV 2015	320439	11/3/15	480.00
VISION SERVICE PLAN	VISION SVC PLAN (CA) OCT 2015	320440	11/3/15	403.29
VISTA PAINT	MOP#68834 TRAFFIC SUPPLIES / PW	320441	11/3/15	44.93
WAXIE SANITARY SUPPLY	JANITORIAL SUPPLIES - FIRE	320442	11/3/15	1,652.05
WESTFLEX INDUSTRIAL	MOP#63850 AUTO EQUIPMENT / PW	320443	11/3/15	283.06
WHITE, J	RETIREE HEALTH BENEFITS / NOV 2015	320444	11/3/15	230.00
ZEFERINO, L	SUBSISTENCE: SPECIAL WEAPON UPDATE	320445	11/3/15	384.00
ZENGOTA, V	RETIREE HEALTH BENEFITS / NOV 2015	320446	11/3/15	300.00

A/P Total 386,079.37

Start Date

End Date

10/28/2015

11/3/2015

SECTION 8 HAPS PAYMENTS

765,941.36

GRAND TOTAL

\$1,152,020.73

Certification

IN ACCORDANCE WITH SECTION 37202, 37208, 372059 OF THE GOVERNMENT CODE, WE HEREBY CERTIFY TO THE ACCURACY OF THE DEMANDS LISTED ABOVE AND TO THE AVAILABILITY OF FUNDS FOR THE PAYMENT THEREOF AND FURTHER THAT THE ABOVE CLAIMS AND DEMANDS HAVE BEEN AUDITED AS REQUIRED BY LAW.


MARK ROBERTS, FINANCE

LESLIE DEESE, CITY MANAGER

FINANCE COMMITTEE

RONALD J. MORRISON, MAYOR-CHAIRMAN

JERRY CANO, VICE-MAYOR

ALEJANDRA SOTELO-SOLIS, MEMBER

MONA RIOS, MEMBER

ALBERT MENDIVIL, MEMBER

I HEREBY CERTIFY THAT THE FOREGOING CLAIMS AND DEMANDS WERE APPROVED AND THE CITY TREASURER IS AUTHORIZED TO ISSUE SAID WARRANTS IN PAYMENT THEREOF BY THE CITY COUNCIL ON THE 15th OF DECEMBER, 2015.

AYES _____

NAYS _____

ABSENT _____

The following page(s) contain the backup material for Agenda Item: Warrant Register #19 for the period of 11/04/15 through 11/10/15 in the amount of \$2,448,448.70.
(Finance)

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. |

ITEM TITLE:

Warrant Register #19 for the period of 11/04/15 through 11/10/15 in the amount of \$2,448,448.70.
(Finance)

PREPARED BY: K. Apalategui

PHONE: 619-336-4572

DEPARTMENT: Finance

APPROVED BY: 

EXPLANATION:

Per Government Section Code 37208, attached are the warrants issued for the period of 10/28/15 through 11/03/15.

Consistent with Department of Finance practice, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check/Wire</u>	<u>Amount</u>	<u>Explanation</u>
Health Net Inc	320489	66,768.34	Ins R1192A – Nov 2015
Kaiser Foundation Health	320491	172,249.06	Ins Active Grp #104220-0002 Nov 2015
Kimley Horn and Assoc	320495	109,410.34	Paradise Creek Education
Project Professionals Corp	320511	66,865.80	12 th and D Roundabout
Tristar Risk Management	643051	61,697.68	October 2015 WC Replenishment
Public Emp Ret System	11062015	343,604.21	Service Period 10/13/15 – 10/26/15

FINANCIAL STATEMENT:

ACCOUNT NO.

Reimbursement total \$2,448,448.70

APPROVED: 

Finance

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION: ☐

FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Ratification of warrants in the amount of \$2,448,448.70

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Warrant Register #19



WARRANT REGISTER #19

11/10/2015

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
GUSTAVO PUENTES OR PARTY4LESS RENTALS	TABLES, HEATERS - STATE OF THE CITY 2015	320450	11/10/15	825.35
GUSTAVO PUENTES OR PARTY4LESS RENTALS	SPANDEX BLACK / STATE OF THE CITY 2015	320451	11/10/15	77.76
AFLAC	ACCT BDM36 - NOV 2015	320452	11/10/15	653.00
ALDEMCO	CONSUMABLES- NUTRITION CENTER	320453	11/10/15	2,766.23
ALL FRESH PRODUCTS	CONSUMABLES- NUTRITION CENTER	320454	11/10/15	901.28
ARCO GASPRO PLUS	FUEL FOR CITY FLEET	320455	11/10/15	27,846.71
ATKINS NORTH AMERICA INC	SEWER SERVICES TAX ROLL ADMIN	320456	11/10/15	1,755.00
BAVENCOFF JR, D	SUBSISTENCE: SHERMAN BLOCK SLI/ 12/14/15 / PD	320457	11/10/15	468.00
BAVENCOFF JR, D	SUBSISTENCE: SHERMAN BLOCK SLI/ 1/11/15 / PD	320458	11/10/15	468.00
BEST BEST & KRIEGER ATTNY LAW	REGIONAL PERMIT PETITION	320460	11/10/15	1,325.00
BOGLE, J	ED REIMBURSEMENT	320461	11/10/15	250.00
C A P F	FIRE LTD - NOV 2015	320462	11/10/15	624.00
CALIFORNIA LAW ENFORCEMENT	PD LTD - NOV 2015	320463	11/10/15	1,935.50
CHEN RYAN ASSOCIATES, INC	DIVISION ST ROAD DIET PSE	320464	11/10/15	32,649.12
CITY OF BREA	REGISTRATION: FIRE CONTROL 3 INSTRUCTOR	320465	11/10/15	525.00
CITY OF SAN DIEGO	PARKING CITATION / POLICE	320466	11/10/15	37.50
CLF WAREHOUSE	RADIAL SEAL INNER/OUTER AIR / PW	320467	11/10/15	89.62
COAST INDUSTRIAL SYSTEMS	SPRAY, FILTERS / PW	320468	11/10/15	182.30
CORNEJO, J	SUBSISTENCE: 24-HR PERISHABLE SKILLS	320469	11/10/15	384.00
COUNTY OF SAN DIEGO	SWEETWATER RIVER CHANNEL	320470	11/10/15	48,736.45
COX COMMUNICATIONS	INTERNET SERVICE / OCT 2015	320471	11/10/15	82.65
CYNTHIA TITGEN CONSULTING INC	RISK MANAGMENT CONSULTANT SVCS	320472	11/10/15	2,565.00
DEESE, L	REIMB: LEAGUE CONFERENCE	320473	11/10/15	616.00
DELTA DENTAL	DENTAL INS PREMIER - NOV 2015	320474	11/10/15	14,757.55
DELTA DENTAL INSURANCE CO	PMI DENTAL INS NOV 2015	320475	11/10/15	2,793.12
DENTONS US LLP	AQUATIC CENTER PROJECT	320476	11/10/15	4,917.00
ENTERPRISE FLEET MANAGEMENT	FLEET LEASE VEHICLES AND SERVICE	320477	11/10/15	14,516.51
FASTSIGNS	"NOTICE" SIGN FOR BUILDING	320478	11/10/15	111.58
FEDEX	CAL FIRE GRANT SHIPMENT	320479	11/10/15	59.29
FOREIGN SPEEDO INC	TOUCH UP CIRCUIT BOARD CONNECTIONS	320480	11/10/15	60.00
GONZALES, G	REIMB: BASIC S.W.A.T. ACADEMY	320481	11/10/15	304.46
GOVCONNECTION INC	32GB DATATRAVELER 100 G3 USB 3 / MIS	320482	11/10/15	12.57
GRAINGER	MOP 65179 MISC SUPPLIES - FIRE	320483	11/10/15	504.70
GTC SYSTEMS INC	NETWORK ENGINEERING SERVICES FY16	320484	11/10/15	1,560.00
GUTIERREZ JR, C	REIMB: ROT/CPT PERISHABLE SKILLS	320485	11/10/15	106.95
HEALTH NET	FULL NETWORK 57135A - NOV 2015	320486	11/10/15	5,334.29
HEALTH NET	INS N5992A - NOV 2015	320487	11/10/15	1,086.90
HEALTH NET	INS N5992F - NOV 2015	320488	11/10/15	651.54
HEALTH NET INC	INS R1192A - NOV 2015	320489	11/10/15	66,768.34
INNOVATIVE CONSTRUCTION	CONSTRUCTION CONSULTING SERVICES	320490	11/10/15	38,597.00
KAISER FOUNDATION HEALTH PLANS	INS ACTIVE GRP #104220-0002 NOV 2015	320491	11/10/15	172,249.06
KAISER FOUNDATION HEALTH PLANS	RETIREEES INS - NOV 2015	320492	11/10/15	22,720.85
KAISER FOUNDATION HEALTH PLANS	RETIREEES INS - NOV 2015	320493	11/10/15	8,765.56
KAISER FOUNDATION HEALTH PLANS	H S A INS - NOV 2015 GRP #104220-0005	320494	11/10/15	4,464.47
KIMLEY HORN AND ASSOC INC	PARADISE CREEK PROJECT	320495	11/10/15	109,410.34
KTU&A	NC CITYWIDE SIGNAGE PLAN	320496	11/10/15	14,445.00
LEDFORD ENTERPRISES INC	PROFESSIONAL SERVICES	320497	11/10/15	4,000.00
LIEBERT CASSIDY WHITMORE	FIRE PAYROLL FLSA AUDIT	320498	11/10/15	2,535.00
MCDUGAL LOVE ECKIS & FOLEY	LIABILITY CLAIM COSTS	320499	11/10/15	297.50



**WARRANT REGISTER #19
11/10/2015**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
MENDOZA III, S	ED REIMBURSEMENT	320500	11/10/15	280.00
MEYERS NAVE	EMPLOYMENT RELATIONS	320501	11/10/15	1,083.50
NATIONAL CITY CHAMBER	NC TOURISM MARKETING - SEPT 2015	320502	11/10/15	29,153.17
NCPOA	TUITION: BULLETPROOF SPIRIT	320503	11/10/15	25.00
MATTHEWS, N	SUBSISTENCE: 24-HR PERISHABLE SKILLS / PD	320504	11/10/15	384.00
OLIVER PACKAGING	PACKAGING HOME DELIVERY / NUTRITION	320505	11/10/15	1,608.00
PACIFIC TELEMAGEMENT SERVICE	PAYPHONE SERVICES / NOV 2015	320506	11/10/15	228.00
PADRE JANITORIAL SUPPLIES	JANITORIAL SUPPLIES - NUTRITION	320507	11/10/15	172.62
PORTILLO CONCRETE INC	HIGHLAND AVE ADA ENHANCEMENTS	320508	11/10/15	40,669.50
PRO BUILD	MOP 45707 MISC SUPPLIES - FIRE	320510	11/10/15	522.55
PROJECT PROFESSIONALS CORP	12TH AND D ROUNABOUT	320511	11/10/15	66,865.80
PRUDENTIAL OVERALL SUPPLY	MOP 45742 LAUNDRY SVC - NSD	320512	11/10/15	26.81
RELIABLE TIRE CO	TIRES AND RIMS RECYCLED SERVICES	320513	11/10/15	302.50
RELIANCE STANDARD	VOLUNTARY LIFE INS - NOV 2015	320514	11/10/15	3,022.25
RIO HONDO COLLEGE	TUITION: SUPERVISORY COURSE	320515	11/10/15	152.00
RIVERSIDE COUNTY SHERIFF DEPT	TUITION: 24-HR PERISHABLE SKILLS	320516	11/10/15	320.00
RODRIGUEZ, M	SUBS: ACADEMY INSTRUCTORS CERTIFICATION	320517	11/10/15	640.00
RON BAKER CHEVROLET	AUTOMOTIVE SUPPLIES - CONTROL / PW	320518	11/10/15	624.68
SAN DIEGO FRICTION PRODUCTS	STUD METRIC / PW	320519	11/10/15	161.43
SAN DIEGO SPORTS MEDICINE	WELLNESS PHYSICALS / FIRE DEPARTMENT	320520	11/10/15	11,301.56
SASI	PROCESSING CHARGES - NOV 2015	320521	11/10/15	347.50
SEAPORT MEAT COMPANY	FOOD / NUTRITION CENTER	320522	11/10/15	705.36
SONSRAY MACHINERY LLC	TUBES / PW	320523	11/10/15	332.39
SPARKLETTS	WATER / NUTRITION CENTER	320524	11/10/15	35.70
STAPLES ADVANTAGE	MOP 45704 OFFICE SUPPLIES - FINANCE	320525	11/10/15	976.03
STC TRAFFIC INC	LIBRARY REMODEL	320526	11/10/15	13,505.89
STEVENSON, S	REIMB: CALPELRA CONFERENCE	320527	11/10/15	818.02
SWRCB	ANNUAL PERMIT FEE / PW	320528	11/10/15	559.00
SYSCO SAN DIEGO INC	CONSUMABLES/FOOD - NUTRITION	320529	11/10/15	2,057.84
THE LINCOLN NATIONAL LIFE INS	LIFE & AD&D, STD, LTD INS - NOV 2015	320530	11/10/15	9,265.20
TORREY PINES BANK	ESTABLISHMENT OF RETENTION ESCROW	320531	11/10/15	9,271.96
U S BANK	CREDIT CARD EXPENSES / CITY MNGR	320532	11/10/15	2,467.95
VERIZON WIRELESS	CELLULAR SERVICE / 9/22/15 - 10/21/15	320533	11/10/15	9,780.36
WESTERN FIRE PROTECTION INC	REFUND: FIRE SPRINKLER PERMIT	320534	11/10/15	3.00
WILKINS, T	SUBSISTENCE: SUPERVISORY COURSE	320535	11/10/15	1,560.00
KANE BALLMER & BERKMAN	LEGAL / S A OPERATIONS (397-500) / S A	320536	11/10/15	90.00
SDCTTC	KIMBALL HOUSE PROPERTY TAXES	320537	11/10/15	234.00
SWEETWATER UNION HS DISTRICT	SPECIAL TAXES	320538	11/10/15	760.90
ABLE PATROL & GUARD	SECURITY GUARD SERVICE / LIBRARY	320539	11/10/15	3,174.05
AMAZON	BOOKS - LIBRARY	320540	11/10/15	2,338.09
BAKER & TAYLOR	BOOKS - LIBRARY	320541	11/10/15	1,541.36
BRODART CO	BOOKS - LIBRARY	320542	11/10/15	1,080.35
MIDWEST TAPE	DVD'S/AUDIO BOOKS - LIBRARY	320543	11/10/15	1,541.71
STAPLES ADVANTAGE	MOP #45704 - SUPPLIES / LIBRARY	320544	11/10/15	180.70
U S POSTMASTER	POSTAGE FOR OVERDUE NOTICES / LIBRARY	320545	11/10/15	98.00

A/P Total

837,061.78



**WARRANT REGISTER #19
11/10/2015**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
WIRED PAYMENTS				
TRISTAR RISK MANAGEMENT	OCTOBER 2015 WC REPLENISHMENT	643051	11/10/15	61,697.68
PUBLIC EMP RETIREMENT SYSTEM	SERVICE PERIOD 10/13/15 - 10/26/15	11062015	11/6/15	343,604.21
PAYROLL				
Pay period	Start Date	End Date	Check Date	
23	10/27/2015	11/9/2015	11/18/2015	1,206,085.03
GRAND TOTAL				<u>\$2,448,448.70</u>

Certification

IN ACCORDANCE WITH SECTION 37202, 37208, 372059 OF THE GOVERNMENT CODE, WE HEREBY CERTIFY TO THE ACCURACY OF THE DEMANDS LISTED ABOVE AND TO THE AVAILABILITY OF FUNDS FOR THE PAYMENT THEREOF AND FURTHER THAT THE ABOVE CLAIMS AND DEMANDS HAVE BEEN AUDITED AS REQUIRED BY LAW.


MARK ROBERTS, FINANCE

LESLIE DEESE, CITY MANAGER

FINANCE COMMITTEE

RONALD J. MORRISON, MAYOR-CHAIRMAN

JERRY CANO, VICE-MAYOR

ALEJANDRA SOTELO-SOLIS, MEMBER

MONA RIOS, MEMBER

ALBERT MENDIVIL, MEMBER

I HEREBY CERTIFY THAT THE FOREGOING CLAIMS AND DEMANDS WERE APPROVED AND THE CITY TREASURER IS AUTHORIZED TO ISSUE SAID WARRANTS IN PAYMENT THEREOF BY THE CITY COUNCIL ON THE 15th OF DECEMBER, 2015.

AYES _____

NAYS _____

ABSENT _____

The following page(s) contain the backup material for Agenda Item: Public Hearing Conditional Use Permit for alcohol sales at a proposed Hooters Restaurant to be located in Westfield Plaza Bonita. (Applicant: Alcoholic Beverage Consulting on behalf of Hooters Restaurant) (Case File 2015-19 CUP) (Planning) **Companion It

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. _____

ITEM TITLE:

Public Hearing – Conditional Use Permit for alcohol sales at a proposed Hooters Restaurant to be located in Westfield Plaza Bonita. (Applicant: Alcoholic Beverage Consulting on behalf of Hooters Restaurant) (Case File 2015-19 CUP)

PREPARED BY:  Martin Reeder, AICP

DEPARTMENT: Planning

PHONE: 336-4313

APPROVED BY: 

EXPLANATION:

Hooters Restaurant has applied for a Conditional Use Permit (CUP) to sell beer, wine, and distilled spirits as an accessory use to a proposed restaurant coming to Westfield Plaza Bonita. The 228-seat restaurant is scheduled to open in December. Alcohol sales hours would be from 11:00 a.m. to 1:00 a.m. Monday to Saturday and 11:00 a.m. to 12:00 a.m. on Sundays. A Type 47 (On-Sale General) license is concurrently being processed with the California Department of Alcoholic Beverage Control (ABC). The CUP was approved by Planning Commission on November 16, 2015, by a 6-1 vote.

City Council considered a Notice of Decision for this item at their meeting of December 1, 2015. Council held the item over for a public hearing in order to discuss the item further. A specific request was made regarding hours of operation of other restaurants at Westfield Plaza Bonita that sell alcohol.

The attached background report describes the proposal in detail.

FINANCIAL STATEMENT:

ACCOUNT NO. _____

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

Not a project per CEQA

ORDINANCE: **INTRODUCTION:** ☐

FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Staff recommends approval of the Conditional Use Permit.

BOARD / COMMISSION RECOMMENDATION:

The Planning Commission approved the Conditional Use Permit.
Ayes: Alvarado, Baca, Bush, Flores, Garcia, Yamane Nays: DelaPaz

ATTACHMENTS:

- | | |
|---------------------------------------|-----------------------------------|
| 1. Background Report | 5. Reduced Plans |
| 2. Recommended Findings | 6. Planning Commission report |
| 3. Recommended Conditions of Approval | 7. Planning Commission resolution |
| 4. Overhead | 8. Public Hearing Notice |

BACKGROUND

Hooters Restaurant has applied for a Conditional Use Permit (CUP) to sell beer, wine, and distilled spirits as an accessory use to a proposed restaurant coming to Westfield Plaza Bonita. The 228-seat restaurant is scheduled to open before the end of the year. Alcohol sales hours would be from 11:00 a.m. to 1:00 a.m. Monday to Saturday and 11:00 a.m. to 12:00 a.m. on Sundays. A Type 47 (On-Sale General) license is concurrently being processed with the California Department of Alcoholic Beverage Control (ABC). City Council considered a Notice of Decision for this item at their meeting of December 1, 2015. Council held the item over for a public hearing in order to discuss the item further. A specific request was made regarding hours of operation of other restaurants at Westfield Plaza Bonita that sell alcohol.

Project Location

The proposed restaurant location is an approximately 6,900 square-foot suite in Westfield Plaza Bonita next to Target on the lower floor of the mall. The floor plan submitted with the CUP shows 228 seats, including a bar area. The suite was formerly two separate businesses – Jollibee and J. Tomson.

Proposed Use

The applicant is proposing to sell beer, wine, and distilled spirits inside the restaurant, both in the dining room and bar areas. Alcohol products will be stored in a secure area in the kitchen, as well as behind the bar, and would be served upon request. The proposed operating hours of Hooters would be 11:00 a.m. to 1:00 a.m. Monday to Saturday and 11:00 a.m. to 12:00 a.m. on Sundays. No live entertainment is proposed.

Analysis

Section 18.30.050 of the National City Land Use Code allows for on-site alcohol sales with an approved Conditional Use Permit (CUP). Additional requirements for alcohol CUP's include expanded notification, a community meeting, and distance requirements.

Mailing – All property owners and occupants within a distance of 660 feet are required to be notified of a public hearing for alcohol-related CUP applications. In this case, 450 people were notified of the public hearing, as well as for the community meeting.

Community Meeting – Pursuant to Section 18.30.050 (C), a community meeting was held Wednesday, October 28, 2015 from 5 p.m. to 6 p.m. at the security office in the mall. The meeting advertisement is attached. According to the applicant, no-one appeared for the community meeting, although one community member called the applicant with concerns over noise and traffic at the mall. An email was received by staff with concerns over adequate notice and timing of the meeting. The applicant acknowledged that they had heard of notice not being received in a timely fashion by some community members; however, they stated that the notice was mailed a week prior to the meeting. In order to address these concerns, the applicant held a second community meeting on November 12th. No community members were present at that meeting either.

Distance Requirements – Chapter 18.030.050 (D) requires a 660-foot distance from sensitive uses such as schools. However, restaurants with greater than 30% of their area devoted to seating (as applies in this case) are exempt from these distance requirements. There are no schools within 660 ft.; the nearest school is Lincoln Acres Elementary School, which is located over three quarters of a mile away.

Required findings

The Municipal Code contains required findings for Conditional Use Permits. There are six required findings:

1. The proposed use is allowable within the applicable zoning district pursuant to a Conditional Use Permit and complies with all other applicable provisions of the Land Use Code.

The use is allowable within the Major Mixed-Use District zone pursuant to a Conditional Use Permit, and the proposed alcohol sales meet the required guidelines in the Land Use Code for alcohol sales, as discussed in the staff report.

2. The proposed use is consistent with the General Plan and any applicable specific plan.

Alcohol sales are permitted, subject to a Conditional Use Permit, by the Land Use Code, which is consistent with the General Plan. Alcohol sales for on-site consumption are a conditionally-allowed use in the Major Mixed-Use District Zone. No Specific Plans exist in this location.

3. The design, location, size, and operating characteristics of the proposed activity would be compatible with the existing and future land uses in the vicinity.

No expansion of the building is proposed. The proposal involves an existing commercial space, which was already analyzed for traffic impacts when it was constructed. In addition, because the sale of alcohol would be accessory to the sale of food, no measurable increase in traffic is expected. In addition, there are five other restaurants at Westfield Plaza Bonita that sell alcohol.

4. The site is physically suitable for the type, density, and intensity of use being proposed, including access, utilities, and the absence of physical constraints.

The proposed use would be accessory to the existing restaurant use, which is located in an existing commercial area. The addition of alcohol sales is not expected to increase the demand for parking on the property.

5. Granting the permit would not constitute a nuisance or be injurious or detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone in which the property is located.

The proposed use will be compatible with other nearby businesses that also sell alcohol as an accessory use. In addition, the proposed use will be subject to conditions that limit the sale of alcohol and restrict the hours that it will be available.

6. The proposed project has been reviewed in compliance with the California Environmental Quality Act.

The project is not considered a project under CEQA (California Environmental Quality Act), as no development is proposed. In addition, the proposed use is identical to other restaurant uses in the area, which are conditionally-allowed in the mixed-use zones. Given that there is no calculable increase in traffic and no other impacts are anticipated staff is of the opinion that the project would not result in any physical changes to the environment.

There is an additional finding which must be made for alcohol sales CUP applications. The finding is that the proposed use is deemed essential and desirable to the public convenience and necessity. In this case the alcohol sales will contribute to the viability of a restaurant, an established and allowed use in the Major Mixed-Use District Zone.

There are also three findings for denial based on the amount of existing on-sale outlets, as discussed in the “Alcohol Sales Concentration/Location” section below.

Department and Agency Comments

Alcohol Sales Concentration/Location – Per the California State Department of Alcoholic Beverage Control (ABC), there are currently six other on-sale permits issued in this census tract (32.04):

Name	Address	License Type*
Outback Steakhouse	2980 Plaza Bonita Rd.	47
Applebees	3030 Plaza Bonita Rd.	47
Red Robin	3030 Plaza Bonita Rd.	47
John’s Incredible Pizza	3030 Plaza Bonita Rd.	41
Memela’s Thai Bistro (CV)	3001 Bonita Rd.	41
El Torito	3030 Plaza Bonita Rd.	47

* Type 41 - On-Sale Beer and Wine for Bona Fide Public Eating Place

Type 47 - On-Sale General for Bona Fide Public Eating Place

All of the five licenses in National City are located at Westfield Plaza Bonita (Memela’s Thai Bistro is in the City of Chula Vista).

Census tract 32.04 is comprised of the area east of Interstate 805 and south of State Route 54, including part of Bonita (County of San Diego). The attached census tract map shows the location of the subject tract. ABC recommends a total of four on-sale

alcohol permits be issued in this census tract, where six exist. Therefore, the census tract is considered to be over-concentrated.

Police Department

Crime statistics provided by the Police Department (PD) indicate that the reporting area (Beat 23) had a current (January to August 2015) crime rate of 329.9%, above the 120% considered to be a high crime area. Consistent with recent policy, PD provided a Risk Assessment report on the property. The assessment assigns points based on the type of business, license concentration, and calls for service (among others) and ranks the business according to potential risk (low, medium, or high). In this case, Hooters received 16 points, which would indicate a medium risk. The Risk Assessment is attached.

Institute for Public Strategies (IPS)

IPS made mention of the license over-concentration in the census tract and the fact that activities involving children (e.g. Christmas train, picture with Santa, etc.) occur near the proposed restaurant location.

Conditions of Approval

Standard Conditions of Approval have been included with this permit, as well as conditions specific to on-sale alcohol sales per Council policy 707 (alcohol incidental to food, hours of operation, RBSS training, etc.).

Planning Commission meeting

Planning Commission conducted a public hearing on November 16, 2015. Commissioners asked questions regarding notification, design, operations, security/crime and conditions of approval. The Commission voted to approve the Conditional Use Permit based on required findings and subject to Conditions of Approval. Community meetings were held by the applicant on October 28 and November 12; however, there were no attendees.

City Council meeting

City Council considered a Notice of Decision for this item at their meeting of December 1, 2015. Council held the item over for a public hearing in order to discuss the item further. A specific request was made regarding hours of operation of other restaurants at Westfield Plaza Bonita that sell alcohol. The hours of operation are as follows:

Name	Address	License Type*	Alcohol Sales Hours
Outback Steakhouse	2980 Plaza Bonita Rd.	47	10 a.m. – 12 a.m.
Applebees	3030 Plaza Bonita Rd.	47	10 a.m. – 12 a.m.
Red Robin	3030 Plaza Bonita Rd.	47	11 a.m. 11 p.m.
John's Incredible Pizza	3030 Plaza Bonita Rd.	41	10 a.m. – 10:30 p.m.
El Torito	3030 Plaza Bonita Rd.	47	Until 11 p.m.

- * Type 41 - On-Sale Beer and Wine for Bona Fide Public Eating Place
Type 47 - On-Sale General for Bona Fide Public Eating Place

Summary

The proposed use is consistent with the General Plan, because alcohol sales for on-site consumption are a conditionally-allowed use in the Major Mixed-Use District Zone. The proposed use would be accessory to a permitted restaurant use in an existing commercial area, which is not expected to increase the demand for parking or other services on the property. The addition of alcohol sales is not expected to have any significant effects on the area. Although the census tract in which the restaurant is located is over-concentrated with regard to on-sale alcohol licenses, alcohol will only be available with the sale of food. However, the proposed use may not be considered essential and desirable to the public convenience and necessity, because five other on-sale alcohol outlets are located at Westfield Plaza Bonita, four of which also have a Type 47 ABC license.

OPTIONS

1. Approve 2015-19 CUP subject to the conditions listed below, based on attached findings; or
2. Deny 2015-19 CUP based on attached findings/findings to be determined by the City Council; or
3. Continue the item in order to obtain additional information.

RECOMMENDED FINDINGS FOR APPROVAL
2015-19 CUP, Hooters Restaurant

1. That the proposed use is allowable within the applicable zoning district pursuant to a Conditional Use Permit and complies with all other applicable provisions of the Land Use Code, because the site is zoned Major Mixed-Use District (MXD-2), which allows the sale of alcoholic beverages for on-site consumption as an accessory use to eating places subject to a CUP.
2. That the proposed use is consistent with the General Plan and any applicable specific plans, because alcohol sales are permitted, subject to a Conditional Use Permit, by the Land Use Code, which is consistent with the General Plan; and because alcohol sales for on-site consumption are a conditionally-allowed use in the Major Mixed-Use District zone.
3. That the design, location, size, and operating characteristics of the proposed activity would be compatible with the existing and future land uses in the vicinity, because there are five other restaurants at Westfield Plaza Bonita that sell alcohol, and because no increase in square-footage would occur.
4. That the site is physically suitable for the type, density, and intensity of use being proposed, including access, utilities, and the absence of physical constraints, because the proposed use would be accessory to a restaurant use in an existing commercial suite, which is not expected to increase the demand for parking on the property.
5. Granting the permit would not constitute a nuisance or be injurious or detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone in which the property is located, because the proposed use will be compatible with other nearby businesses; and because the proposed use will be subject to conditions that limit the sale of alcohol and restrict the hours that it will be available.
6. That the proposed project has been reviewed in compliance with the California Environmental Quality Act, because it has been determined that the proposed use is not a project per the Act; There is no calculable increase in traffic and no other impacts are anticipated; therefore, the project would not result in any physical changes to the environment.
7. That the proposed use is deemed essential and desirable to the public convenience and necessity, because it will contribute to the continued viability of a restaurant, an established and allowed use in the Major Mixed-Use District Zone.

8. That based on findings 1 through 7 above, public convenience and necessity will be served by a proposed use of the property for the retail sales of alcoholic beverages pursuant to law.

RECOMMENDED FINDINGS FOR DENIAL
2015-19 CUP, Hooters Restaurant

1. Granting the permit would constitute a nuisance or be injurious or detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone in which the property is located, because the census tract in which the subject property is located is currently over-concentrated with regard to on-sale alcohol outlets; six on-sale outlets exist in the census tract where four are recommended by the California Department of Alcoholic Beverage Control.
2. That the proposed use is not deemed essential and desirable to the public convenience and necessity, because five other on-sale alcohol outlets are located at Westfield Plaza Bonita, four of which also have a Type 47 ABC license.
3. That based on findings 1 and 2 above, public convenience and necessity will not be served by a proposed use of the property for the retail sales of alcoholic beverages pursuant to law.

RECOMMENDED CONDITIONS OF APPROVAL

2015-19 CUP, Hooters Restaurant

General

1. This *Conditional Use Permit* authorizes the sale of beer, wine, and distilled spirits at a proposed restaurant to be located in Westfield Plaza Bonita. Plans submitted for permits associated with this project shall conform to Exhibit A, case file no. 2015-19 CUP, dated 8/27/2015.
2. *Within four (4) days* of approval, pursuant to Fish and Game Code 711.4 and the California Code of Regulations, Title 14, Section 753.5, the applicant shall pay all necessary environmental filing fees for the San Diego County Clerk. Checks shall be made payable to the County Clerk and submitted to the National City Planning Department.
3. This permit shall become null and void if not exercised within one year after adoption of the Resolution of approval unless extended according to procedures specified in the Municipal Code.
4. This permit shall expire if the use authorized by this resolution is discontinued for a period of 12 months or longer. This permit may also be revoked, pursuant to provisions of the Land Use Code, if discontinued for any lesser period of time.
5. This Conditional Use Permit may be revoked if the operator is found to be in violation of Conditions of Approval.
6. Before this Conditional Use Permit shall become effective, the applicant and the property owner both shall sign and have notarized an Acceptance Form, provided by the Planning Department, acknowledging and accepting all conditions imposed upon the approval of this permit. Failure to return the signed and notarized Acceptance Form within 30 days of its receipt shall automatically terminate the Conditional Use Permit. The applicant shall also submit evidence to the satisfaction of the Executive Director that a Notice of Restriction on Real Property is recorded with the County Recorder. The applicant shall pay necessary recording fees to the County. The Notice of Restriction shall provide information that conditions imposed by approval of the Conditional Use Permit are binding on all present or future interest holders or estate holders of the property. The Notice of Restriction shall be approved as to form by the City Attorney and signed by the Executive Director prior to recordation.

Planning

7. The sale of alcoholic beverages shall be limited to between the hours of 11:00 a.m. to 1:00 a.m. Monday to Saturday, and 11:00 a.m. to 12:00 a.m. on Sundays.
8. All sellers and servers of alcohol shall receive Responsible Beverage Service and Sales (RBSS) training, including all owners, and managers. The RBSS training must be certified by the Department of Alcoholic Beverage Control (ABC). Proof of completion of an approved RBSS program must be provided prior to issuance of a city business license. As part of the RBSS training, the permittee shall make

available a domestic violence training session as provided by the Institute of Public Strategies.

9. The sale of alcohol shall not exceed the sale of food. With the annual renewal of the City business license, the business proprietor shall submit a statement clearly indicating total alcoholic beverage sales and total food sales. Said statement shall be subject to audit and verification by employees of the City, who are authorized to examine, audit and inspect such books and records of the license, as may be necessary in their judgment to verify that the sale of alcohol does not exceed the sale of food. All information obtained by an investigation of records shall remain confidential.
10. Alcohol shall be available only in conjunction with the purchase of food.
11. Exterior advertising and signs of all types, promoting or indicating the availability of alcoholic beverages, including advertising/signs directed to the exterior from within, are prohibited. Interior displays of alcoholic beverages and signs, which are clearly visible to the exterior, shall constitute a violation of this condition.

Police

12. Permittee shall comply with all regulatory provisions of the Business and Professions Code that pertain to the sale, display and marketing or merchandising of alcoholic beverages.

2015-19 CUP – Hooters Restaurant – Overhead



PLAZA BONITA WAY, NATIONAL CITY, CALIFORNIA 91950



DAVID BRENNAN ARCHITECT
2308 UNIVERSITY AVE. 344
SAN DIEGO CA 92104

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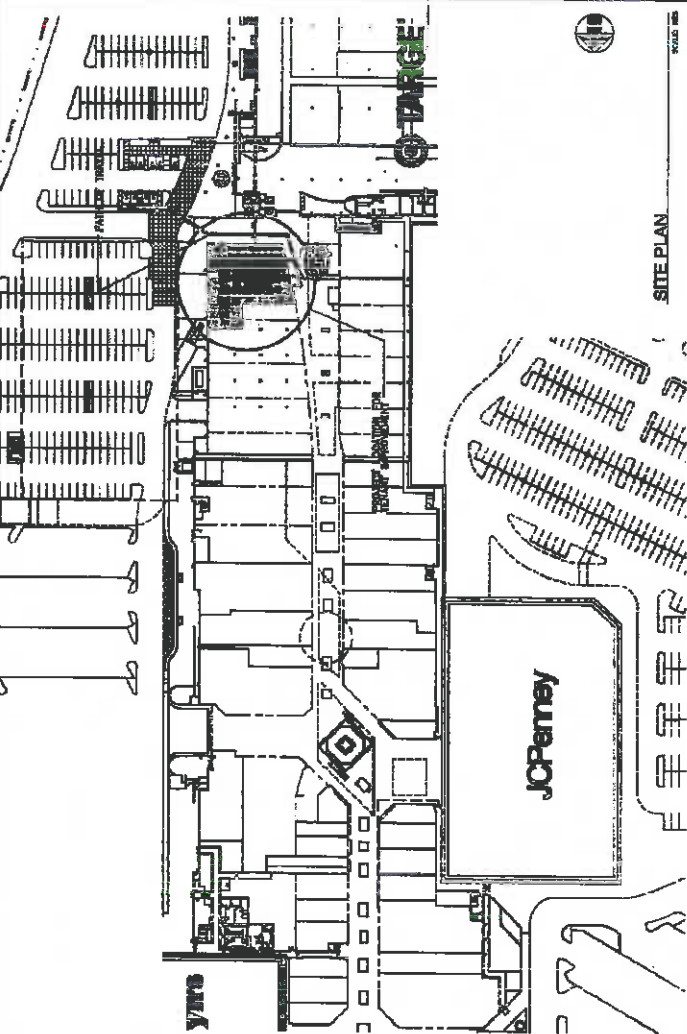
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SAFETY CONSIDERATIONS

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SITE PLAN

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WEDNESDAY

ARCHITECT	MECHANICAL / PLUMBING ENGINEER
<p>THOMAS ENGINEERING ARCHITECTS 10000 150TH AVE. #100 BAY BRIDGE, CO. 80015 303-440-6600</p>	<p>STRAUSS ENGINEERING, INC. 1900 WEST 10TH AVE. #100 DENVER, CO. 80202 303-733-4500</p>
STRUCTURAL ENGINEER	ELECTRICAL ENGINEER
<p>WTR ENGINEERING 10000 150TH AVE. #100 BAY BRIDGE, CO. 80015 303-440-6600</p>	<p>STRA ENGINEERING, INC. 1900 WEST 10TH AVE. #100 DENVER, CO. 80202 303-733-4500</p>
	016 ENGINEER / JUNE 14

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NOTES

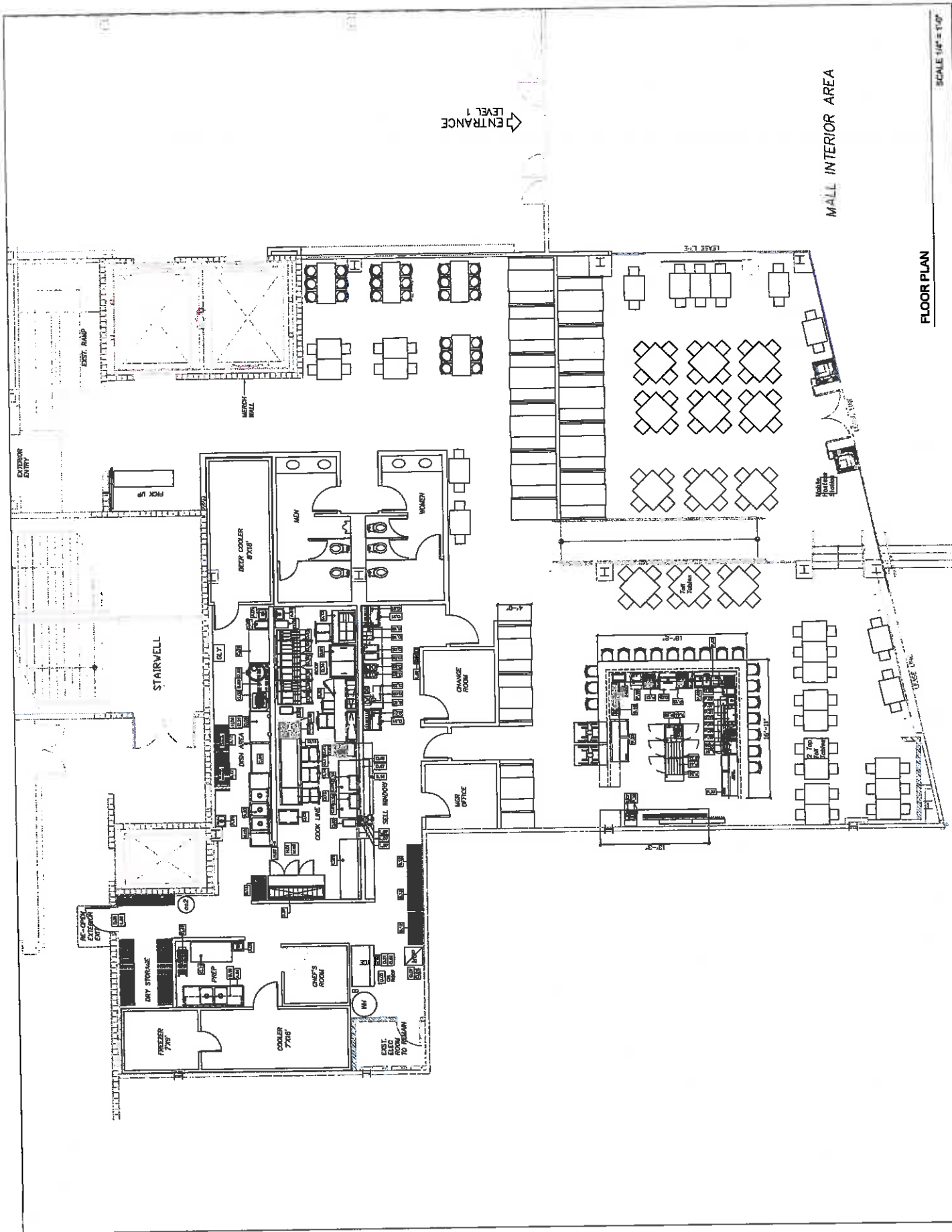
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SCHOOL MANAGEMENT

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STORM WATER POLLUTION CONTROL REQUIREMENTS FOR CONSTRUCTION

Several authors, for example, have indicated that the use of a single, high-pass filter, or a high-pass filter followed by a low-pass filter, may be sufficient to remove the noise from the signal. However, the use of a single, high-pass filter may result in the loss of some of the signal, and the use of a high-pass filter followed by a low-pass filter may result in the loss of some of the signal. The use of a band-pass filter, which is a combination of a high-pass filter and a low-pass filter, may be a more effective way to remove the noise from the signal. The use of a band-pass filter may result in the loss of some of the signal, but it may also result in the removal of more noise than a single, high-pass filter or a high-pass filter followed by a low-pass filter. The use of a band-pass filter may be a more effective way to remove the noise from the signal, but it may also result in the loss of some of the signal. The use of a band-pass filter may be a more effective way to remove the noise from the signal, but it may also result in the loss of some of the signal.





CITY OF NATIONAL CITY - PLANNING DEPARTMENT
1243 NATIONAL CITY BLVD., NATIONAL CITY, CA 91950

PLANNING COMMISSION STAFF REPORT

Title: CONDITIONAL USE PERMIT FOR ALCOHOL
SALES AT A PROPOSED HOOTERS
RESTAURANT TO BE LOCATED IN WESTFIELD
PLAZA BONITA.

Case File No.: 2015-19 CUP

Location: 3050 Plaza Bonita Road

Assessor's Parcel No.: 564-471-07

Staff report by: Martin Reeder, AICP – Principal Planner

Applicant: Alcoholic Beverage Consulting

Zoning designation: Major Mixed-Use District (MXD-2)

Adjacent land use/zoning:

North: Residential across Sweetwater Rd. / RS-2

East: Residential / County of San Diego

South: Open Space & I-805 / OS

West: Open Space across Plaza Bonita Rd. / OS

Environmental review: Not a project per CEQA

Staff Recommendation: Approve

BACKGROUND

Hooters Restaurant has applied for a Conditional Use Permit (CUP) to sell beer, wine, and distilled spirits as an accessory use to a proposed restaurant coming to Westfield Plaza Bonita. The 228-seat restaurant is scheduled to open in December. Alcohol sales hours would be from 11:00 a.m. to 1:00 a.m. Monday to Saturday and 11:00 a.m. to 12:00 a.m. on Sundays. A Type 47 (On-Sale General) license is concurrently being processed with the California Department of Alcoholic Beverage Control (ABC).

Project Location

The proposed restaurant location is an approximately 6,900 square-foot suite in Westfield Plaza Bonita next to Target on the lower floor of the mall. The floor plan submitted with the CUP shows 228 seats, including a bar area. The suite was formerly two separate businesses – Jollibee and J. Tomson.

Proposed Use

The applicant is proposing to sell beer, wine, and distilled spirits inside the restaurant, both in the dining room and bar areas. Alcohol products will be stored in a secure area in the kitchen, as well as behind the bar, and would be served upon request. The proposed operating hours of Hooters would be 11:00 a.m. to 1:00 a.m. Monday to Saturday, and 11:00 a.m. to 12:00 a.m. on Sundays. No live entertainment is proposed.

Analysis

Section 18.30.050 of the National City Land Use Code allows for on-site alcohol sales with an approved Conditional Use Permit (CUP). Additional requirements for alcohol CUP's include expanded notification, a community meeting, and distance requirements.

Mailing – All property owners and occupants within a distance of 660 feet are required to be notified of a public hearing for alcohol-related CUP applications. In this case, 450 people were notified of the public hearing, as well as for the community meeting.

Community Meeting – Pursuant to Section 18.30.050 (C), a community meeting was held Wednesday, October 28, 2015 from 5 p.m. to 6 p.m. at the security office in the mall. The meeting advertisement is attached. According to the applicant, no-one appeared for the community meeting, although one community member called the applicant with concerns over noise and traffic at the mall. An email was received by staff with concerns over adequate notice and timing of the meeting. The applicant acknowledged that they had heard of notice not being received in a timely fashion by some community members; however, they stated that the notice was mailed a week prior to the meeting. In order to address these concerns, the applicant is holding a second community meeting on November 12th. This date is after this staff report is published, so any meeting information would need to be analyzed at the Planning Commission meeting.

Distance Requirements – Chapter 18.030.050 (D) requires a 660-foot distance from sensitive uses such as schools. However, restaurants with greater than 30% of their area devoted to seating (as applies in this case) are exempt from these distance

requirements. There are no schools within 660 ft.; the nearest school is Lincoln Acres Elementary School, which is located over three quarters of a mile away.

Required findings

The Municipal Code contains required findings for Conditional Use Permits. There are six required findings:

1. The proposed use is allowable within the applicable zoning district pursuant to a Conditional Use Permit and complies with all other applicable provisions of the Land Use Code.

The use is allowable within the Major Mixed-Use District zone pursuant to a Conditional Use Permit, and the proposed alcohol sales meet the required guidelines in the Land Use Code for alcohol sales, as discussed in the staff report.

2. The proposed use is consistent with the General Plan and any applicable specific plan.

Alcohol sales are permitted, subject to a Conditional Use Permit, by the Land Use Code, which is consistent with the General Plan. Alcohol sales for on-site consumption are a conditionally-allowed use in the Major Mixed-Use District Zone. No Specific Plans exist in this location.

3. The design, location, size, and operating characteristics of the proposed activity would be compatible with the existing and future land uses in the vicinity.

No expansion of the building is proposed. The proposal involves an existing commercial space, which was already analyzed for traffic impacts when it was constructed. In addition, because the sale of alcohol would be accessory to the sale of food, no measurable increase in traffic is expected. In addition, there are five other restaurants at Westfield Plaza Bonita that sell alcohol.

4. The site is physically suitable for the type, density, and intensity of use being proposed, including access, utilities, and the absence of physical constraints.

The proposed use would be accessory to the existing restaurant use, which is located in an existing commercial area. The addition of alcohol sales is not expected to increase the demand for parking on the property.

5. Granting the permit would not constitute a nuisance or be injurious or detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone in which the property is located.

The proposed use will be compatible with other nearby businesses that also sell alcohol as an accessory use. In addition, the proposed use will be subject to conditions that limit the sale of alcohol and restrict the hours that it will be available.

6. The proposed project has been reviewed in compliance with the California Environmental Quality Act.

The project is not considered a project under CEQA (California Environmental Quality Act), as no development is proposed. In addition, the proposed use is identical to other restaurant uses in the area, which are conditionally-allowed in the mixed-use zones. Given that there is no calculable increase in traffic and no other impacts are anticipated staff is of the opinion that the project would not result in any physical changes to the environment.

There is an additional finding which must be made for alcohol sales CUP applications. The finding is that the proposed use is deemed essential and desirable to the public convenience and necessity. In this case the alcohol sales will contribute to the viability of a restaurant, an established and allowed use in the Major Mixed-Use District Zone.

There are also three findings for denial based on the amount of existing on-sale outlets, as discussed in the "Alcohol Sales Concentration/Location" section below.

Department and Agency Comments

Alcohol Sales Concentration/Location – Per the California State Department of Alcoholic Beverage Control (ABC), there are currently six other on-sale permits issued in this census tract (32.04):

Name	Address	License Type*
Outback Steakhouse	2980 Plaza Bonita Rd.	47
Applebees	3030 Plaza Bonita Rd.	47
Red Robin	3030 Plaza Bonita Rd.	47
John's Incredible Pizza	3030 Plaza Bonita Rd.	41
Memela's Thai Bistro (CV)	3001 Bonita Rd.	41
El Torito	3030 Plaza Bonita Rd.	47

- * Type 41 - On-Sale Beer and Wine for Bona Fide Public Eating Place
- Type 47 - On-Sale General for Bona Fide Public Eating Place

All of the five licenses in National City are located at Westfield Plaza Bonita (Memela's Thai Bistro is in the City of Chula Vista).

Census tract 32.04 is comprised of the area east of Interstate 805 and south of State Route 54, including part of Bonita (County of San Diego). The attached census tract map shows the location of the subject tract. ABC recommends a total of four on-sale alcohol permits be issued in this census tract, where six exist. Therefore, the census tract is considered to be over-concentrated.

Police Department

Crime statistics provided by the Police Department (PD) indicate that the reporting area (Beat 23) had a current (January to August 2015) crime rate of 329.9%, above the 120% considered to be a high crime area. Consistent with recent policy, PD provided a Risk Assessment report on the property. The assessment assigns points based on the type of business, license concentration, and calls for service (among others) and ranks the business according to potential risk (low, medium, or high). In this case, Hooters received 16 points, which would indicate a medium risk. The Risk Assessment is attached.

Institute for Public Strategies (IPS)

IPS made mention of the license over-concentration in the census tract and the fact that activities involving children (e.g. Christmas train, picture with Santa, etc.) occur near the proposed restaurant location.

Conditions of Approval

Standard Conditions of Approval have been included with this permit, as well as conditions specific to on-sale alcohol sales per Council policy 707 (alcohol incidental to food, hours of operation, RBSS training, etc.).

Summary

The proposed use is consistent with the General Plan, because alcohol sales for on-site consumption are a conditionally-allowed use in the Major Mixed-Use District Zone. The proposed use would be accessory to a permitted restaurant use in an existing commercial area, which is not expected to increase the demand for parking or other services on the property. The addition of alcohol sales is not expected to have any significant effects on the area. Although the census tract in which the restaurant is located is over-concentrated with regard to on-sale alcohol licenses, alcohol will only be available with the sale of food. However, the proposed use may not be considered essential and desirable to the public convenience and necessity, because five other on-sale alcohol outlets are located at Westfield Plaza Bonita, four of which also have a Type 47 ABC license.

OPTIONS

1. Approve 2015-19 CUP subject to the conditions listed below, based on attached findings; or
2. Deny 2015-19 CUP based on attached findings/findings to be determined by the Planning Commission; or
3. Continue the item in order to obtain additional information.

ATTACHMENTS

1. Recommended Findings
2. Recommended Conditions
3. Overhead
4. Site photos
5. Applicant's Plans (Exhibit A, case file no. 2015-19 CUP, dated 8/27/2015)
6. Community meeting advertisements
7. Police Department and Institute for Public Strategies comments
8. Census Tract Map and Police Beat Map
9. Public Hearing Notice (Sent to 450 property owners and occupants)



MARTIN REEDER, AICP
Principal Planner

RECOMMENDED FINDINGS FOR APPROVAL

2015-19 CUP, Hooters Restaurant

1. That the proposed use is allowable within the applicable zoning district pursuant to a Conditional Use Permit and complies with all other applicable provisions of the Land Use Code, because the site is zoned Major Mixed-Use District (MXD-2), which allows the sale of alcoholic beverages for on-site consumption as an accessory use to eating places subject to a CUP.
2. That the proposed use is consistent with the General Plan and any applicable specific plans, because alcohol sales are permitted, subject to a Conditional Use Permit, by the Land Use Code, which is consistent with the General Plan; and because alcohol sales for on-site consumption are a conditionally-allowed use in the Major Mixed-Use District zone.
3. That the design, location, size, and operating characteristics of the proposed activity would be compatible with the existing and future land uses in the vicinity, because there are five other restaurants at Westfield Plaza Bonita that sell alcohol, and because no increase in square-footage would occur.
4. That the site is physically suitable for the type, density, and intensity of use being proposed, including access, utilities, and the absence of physical constraints, because the proposed use would be accessory to a restaurant use in an existing commercial suite, which is not expected to increase the demand for parking on the property.
5. Granting the permit would not constitute a nuisance or be injurious or detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone in which the property is located, because the proposed use will be compatible with other nearby businesses; and because the proposed use will be subject to conditions that limit the sale of alcohol and restrict the hours that it will be available.
6. That the proposed project has been reviewed in compliance with the California Environmental Quality Act, because it has been determined that the proposed use is not a project per the Act; There is no calculable increase in traffic and no other impacts are anticipated; therefore, the project would not result in any physical changes to the environment.
7. That the proposed use is deemed essential and desirable to the public convenience and necessity, because it will contribute to the continued viability of a restaurant, an established and allowed use in the Major Mixed-Use District Zone.

8. That based on findings 1 through 7 above, public convenience and necessity will be served by a proposed use of the property for the retail sales of alcoholic beverages pursuant to law.

RECOMMENDED FINDINGS FOR DENIAL
2015-19 CUP, Hooters Restaurant

1. Granting the permit would constitute a nuisance or be injurious or detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone in which the property is located, because the census tract in which the subject property is located is currently over-concentrated with regard to on-sale alcohol outlets; six on-sale outlets exist in the census tract where four are recommended by the California Department of Alcoholic Beverage Control.
2. That the proposed use is not deemed essential and desirable to the public convenience and necessity, because five other on-sale alcohol outlets are located at Westfield Plaza Bonita, four of which also have a Type 47 ABC license.
3. That based on findings 1 and 2 above, public convenience and necessity will not be served by a proposed use of the property for the retail sales of alcoholic beverages pursuant to law.

RECOMMENDED CONDITIONS OF APPROVAL

2015-19 CUP, Hooters Restaurant

General

1. This *Conditional Use Permit* authorizes the sale of beer, wine, and distilled spirits at a proposed restaurant to be located in Westfield Plaza Bonita. Plans submitted for permits associated with this project shall conform to Exhibit A, case file no. 2015-19 CUP, dated 8/27/2015.
2. *Within four (4) days* of approval, pursuant to Fish and Game Code 711.4 and the California Code of Regulations, Title 14, Section 753.5, the applicant shall pay all necessary environmental filing fees for the San Diego County Clerk. Checks shall be made payable to the County Clerk and submitted to the National City Planning Department.
3. This permit shall become null and void if not exercised within one year after adoption of the Resolution of approval unless extended according to procedures specified in the Municipal Code.
4. This permit shall expire if the use authorized by this resolution is discontinued for a period of 12 months or longer. This permit may also be revoked, pursuant to provisions of the Land Use Code, if discontinued for any lesser period of time.
5. This Conditional Use Permit may be revoked if the operator is found to be in violation of Conditions of Approval.
6. Before this Conditional Use Permit shall become effective, the applicant and the property owner both shall sign and have notarized an Acceptance Form, provided by the Planning Department, acknowledging and accepting all conditions imposed upon the approval of this permit. Failure to return the signed and notarized Acceptance Form within 30 days of its receipt shall automatically terminate the Conditional Use Permit. The applicant shall also submit evidence to the satisfaction of the Executive Director that a Notice of Restriction on Real Property is recorded with the County Recorder. The applicant shall pay necessary recording fees to the County. The Notice of Restriction shall provide information that conditions imposed by approval of the Conditional Use Permit are binding on all present or future interest holders or estate holders of the property. The Notice of Restriction shall be approved as to form by the City Attorney and signed by the Executive Director prior to recordation.

Planning

7. The sale of alcoholic beverages shall be limited to between the hours of 11:00 a.m. to 1:00 a.m. Monday to Saturday, and 11:00 a.m. to 12:00 a.m. on Sundays.
8. All sellers and servers of alcohol shall receive Responsible Beverage Service and Sales (RBSS) training, including all owners, and managers. The RBSS training must be certified by the Department of Alcoholic Beverage Control (ABC). Proof of completion of an approved RBSS program must be provided prior to issuance of a city business license. As part of the RBSS training, the permittee shall make

available a domestic violence training session as provided by the Institute of Public Strategies.

9. The sale of alcohol shall not exceed the sale of food. With the annual renewal of the City business license, the business proprietor shall submit a statement clearly indicating total alcoholic beverage sales and total food sales. Said statement shall be subject to audit and verification by employees of the City, who are authorized to examine, audit and inspect such books and records of the license, as may be necessary in their judgment to verify that the sale of alcohol does not exceed the sale of food. All information obtained by an investigation of records shall remain confidential.
10. Alcohol shall be available only in conjunction with the purchase of food.
11. Exterior advertising and signs of all types, promoting or indicating the availability of alcoholic beverages, including advertising/signs directed to the exterior from within, are prohibited. Interior displays of alcoholic beverages and signs, which are clearly visible to the exterior, shall constitute a violation of this condition.

Police

12. Permittee shall comply with all regulatory provisions of the Business and Professions Code that pertain to the sale, display and marketing or merchandising of alcoholic beverages.

2015-19 CUP – Hooters Restaurant – Site Photos



Proposed restaurant north



Proposed restaurant southeast

You are invited to attend a:

COMMUNITY MEETING

Date: WEDNESDAY, OCTOBER 28, 2015

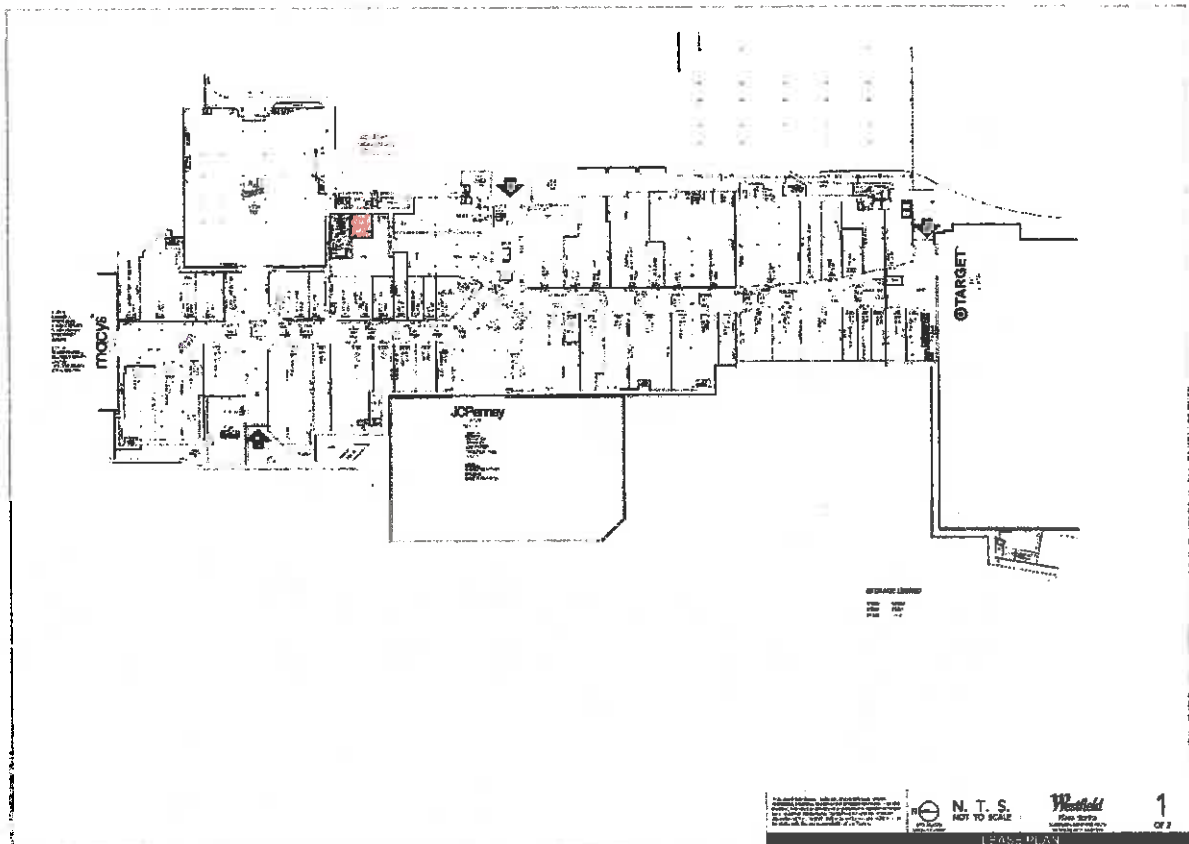
Time: 5:00PM TO 6:00PM

Address: 3030 Plaza Bonita Road, Suite #1060 (Mall Security Office next to John's Incredible Pizza), National City, CA

This meeting is to inform citizens of a use permit application that has been filed for the service of alcoholic beverages at a new Hooter's Restaurant that will be opening in the Westfield Plaza Bonita at the address listed above

We are looking forward to meeting you and discussing any concerns or questions you may have regarding this proposed restaurant operations. If you can't attend the meeting, or if you have any questions before then, please feel free to contact Please contact Steve Rawlings, the Applicant's representative at 951-667-5152 or via email at SER@Rawlingspm.com.

This notice is being sent to you in fulfillment of the City of National City requirements. This outreach effort to our neighbors is necessary because an application for development or use has been filed with the City of National City Planning Department.



You are invited to attend a:

COMMUNITY MEETING

Date: WEDNESDAY, NOVEMBER 12, 2015

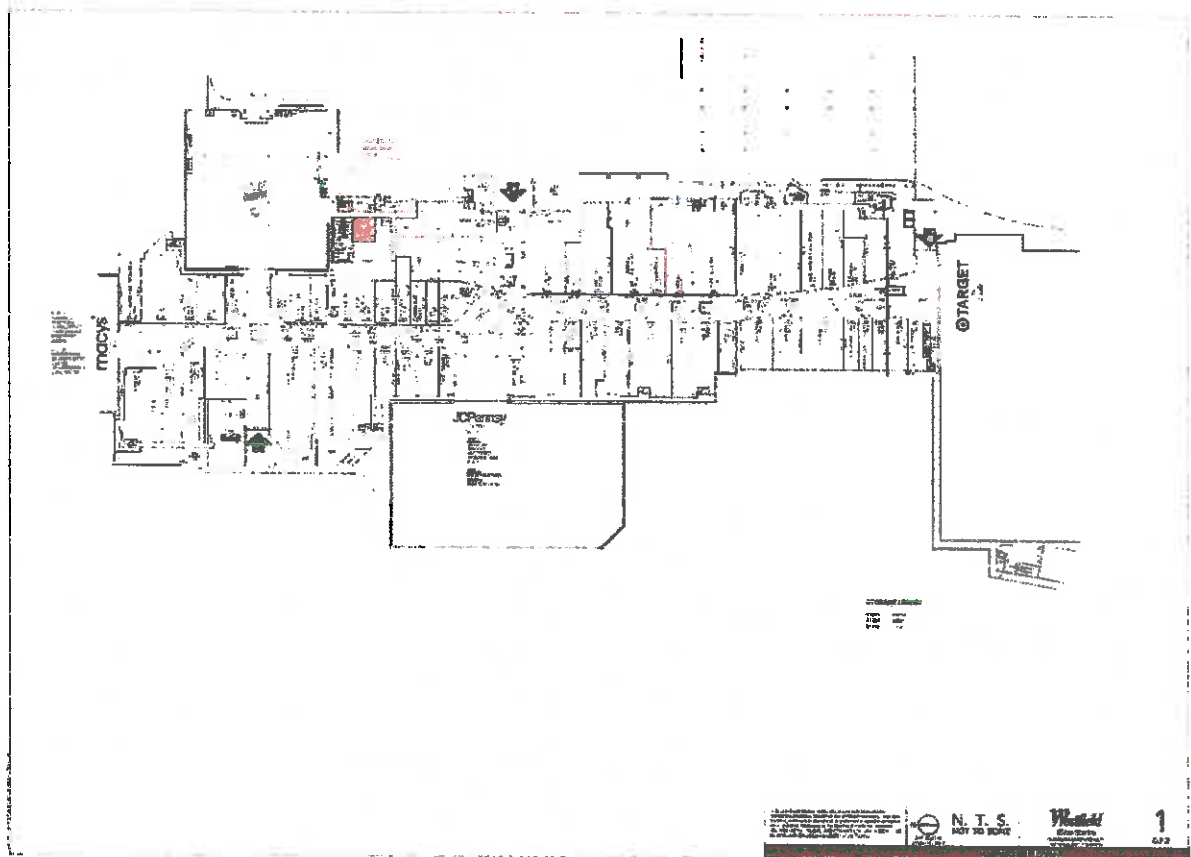
Time: 5:00PM TO 6:00PM

Address: 3030 Plaza Bonita Road, Suite #1060 (Mall Security Office next to John's Incredible Pizza), National City, CA

This meeting is to inform citizens of a use permit application that has been filed for the service of alcoholic beverages at a new Hooter's Restaurant that will be opening in the Westfield Plaza Bonita IN Suite 1030.

We are looking forward to meeting you and discussing any concerns or questions you may have regarding this proposed restaurant operations. If you can't attend the meeting, or if you have any questions before then, please feel free to contact Please contact Steve Rawlings, the Applicant's representative at 951-667-5152 or via email at SER@Rawlingspm.com.

This notice is being sent to you in fulfillment of the City of National City requirements. This outreach effort to our neighbors is necessary because an application for development or use has been filed with the City of National City Planning Department.





NATIONAL CITY POLICE DEPARTMENT
ALCOHOL BEVERAGE CONTROL
RISK ASSESSMENT

DATE: 09/10/15

BUSINESS NAME: Hooters

ADDRESS: 3030 Plaza Bonita Road, National City, CA 91950

OWNER NAME: Corporation - Steve Rawlings DOB: N/A

OWNER ADDRESS: 26023 Jefferson Avenue, Suite D, Murrieta, CA 92562

(add additional owners on page 2)

I. Type of Business

- ☒ Restaurant (1 pt)
☐ Market (2 pts)
☐ Bar/Night Club (3 pts)

II. Hours of Operation

- ☐ Daytime hours (1 pt)
☐ Close by 10pm (2 pts)
☒ Close after 10pm (3 pts)

III. Entertainment

- ☒ Music (1 pt)
☐ Live Music (2 pts)
☐ Dancing/Live Music (3 pts)

IV. Crime Rate

- ☐ Low (1 pt)
☐ Medium (2 pts)
☒ High (3 pts)

V. Alcohol Businesses per Census Tract

- ☐ Below (1 pt)
☐ Average (2 pts)
☒ Above (3 pts)

Notes:

Crime Rate - over 120%

Census Tract - 32.04

Allowed Type 47 - (4) currently have ()

Mixed times of operation:

M-Sat 11 am to 1 am, Sun 11 am to 12 am.

VI. Calls for Service at Location (for previous 6 months)

- ☐ Below (1 pt)
☐ Average (2 pts)
☒ Above (3 pts)

VII. Proximity Assessment (1/4 mile radius of location)

- ☐ Mostly commercial businesses (1 pt)
☒ Some businesses, some residential (2 pts)
☐ Mostly residential (3 pts)

Low Risk (12pts or less)
Medium Risk (13 – 18pts)
High Risk (19 – 24pts)

Total Points 16

VIII. Owner(s) records check

- ☒ No criminal incidents (0 pts)
☐ Minor criminal incidents (2 pts)
☐ Multiple/Major criminal incidents (3 pts)

OWNER NAME: Unknown DOB: _____

OWNER ADDRESS: _____

OWNER NAME: Unknown DOB: _____

OWNER ADDRESS: _____

Recommendation:

- NCPD does not have a proactive enforcement unit for ABC outlets.

- Within 100' of residences.

- (4) on-sale licenses are allowed, census tract 32.04 currently has (6) and (1) Off-Sale..

-High crime area - crime rate in the area is 329.9%, well above the 120% average ABC
a high crime rate

Completed by: Graham Young, Lt Badge ID: 365



**California Department of Alcoholic Beverage Control
For the County of SAN DIEGO - (Retail Licenses)
and Census Tract = 32.04**

Report as of 9/8/2015

License Number	Status	License Type	Orig. Iss. Date	Expir Date	Primary Owner and Premises Addr.	Business Name	Mailing Address	Geo Code
1) 370033	ACTIVE	47	5/7/2001	4/30/2016	SOUTH SAN DIEGO STEAKHOUSE L-PSHIP 2980 PLAZA BONITA RD NATIONAL CITY, CA 91950 Census Tract: 0032.04	OUTBACK STEAKHOUSE	1250 PROSPECT ST, STE 305 LA JOLLA, CA 92037-3618	3708
2) 464703	ACTIVE	20	6/23/2008	5/31/2016	TARGET CORPORATION 3060 PLAZA BONITA RD NATIONAL CITY, CA 91950-8004 Census Tract: 0032.04	TARGET T2232	33 S 6TH ST, CC-1028 ATTN: ERIN HOSFIELD MINNEAPOLIS, MN 55402	3708
3) 466444	ACTIVE	47	6/27/2008	5/31/2016	APPLE SOCAL LLC 3030 PLAZA BONITA RD, STE 1298 NATIONAL CITY, CA 91950-8006 Census Tract: 0032.04	APPLEBEES NEIGHBORHOOD GRILL & BAR	PO BOX 507, ATTN CHERYL MILLS WEST LINN, OR 97068	3708
4) 478145	ACTIVE	47	10/23/2009	9/30/2015	RED ROBIN BURGER & SPIRITS EMPORIUMS 3030 PLAZA BONITA RD, SPC 2520 NATIONAL CITY, CA 91950 Census Tract: 0032.04	RED ROBIN BURGER & SPIRITS EMPORIUM	6312 S FIDDLERS GREEN CIR, STE 600 NORTH GREENWOOD VILLAGE, CO 80111	3708
5) 484721	ACTIVE	41	2/2/2010	1/31/2016	UJPC VENTURES INC 3030 PLAZA BONITA RD, STE 1025 NATIONAL CITY, CA 91950-8009 Census Tract: 0032.04	JOHNS INCREDIBLE PIZZA COMPANY	22342 AVENIDA EMPRESSA, STE 220 RANCHO SANTA MARGARITA, CA 92688-2161	3708
6) 511800	ACTIVE	41	11/28/2011 11:07:53 AM	10/31/2015	SANZEL INC 3001 BONITA RD, STE 100 CHULA VISTA, CA 91910-3265 Census Tract: 0032.04	MEMELAS & THAI BISTRO		3702
7) 521108	ACTIVE	47	10/29/2012 11:16:03 AM	12/31/2015	RM EL TORITO LLC 3030 PLAZA BONITA RD, SPC 2510 NATIONAL CITY, CA 91950-8009 Census Tract: 0032.04	EL TORITO	5660 KATELLA AVE, STE 200, C/O LEASE ADMINISTRATION CYPRESS, CA 90630-5058	3708

--- End of Report ---



**ABC Report
2015 ABC Report NCPD**

Required Parameters

Reporting Period: 01/2015 to 08/2015

Agency: NATIONAL CITY

Optional Parameters

Geographical Area:

Group by: Beat 023

Prior Report Number: B98S328R

CRIME TYPES	CRIME TOTALS
CRIMINAL HOMICIDE	0
FORCIBLE RAPE	4
ROBBERY	31
AGGRAVATED ASSAULT	36
BURGLARY	36
LARCENY	231
MOTOR VEHICLE THEFT	45
Total Part I Crime:	383

ARREST TYPES	ARREST TOTALS
SIMPLE ASSAULT	8
OTHER PART II CRIMES	191
CHILD AND FAMILY	5
DEADLY WEAPONS	4
EMBEZZLEMENT	1
FRAUD	1
GAMBLING	0
MALICIOUS MISCHIEF	2
NARCOTICS	61
SEX CRIMES	1
FORGERY	0
OTHER NON-CRIMINAL	32
Total Part II Arrest:	306

Beat Total = Part I Crime + Part II Arrest: 689

BeatAve. (Agency / Beat): 208.9

Agency Wide Total = Part I Crime + Part II Arrest: 2,924

Beat Total as % of Beat Average: : 329.9%

(120% is considered high crime area)

Environmental Scan for Alcohol License C.U.P.

Hooters Restaurant

3030 Plaza Bonita Road, National City, CA 91950

September 14, 2015



Photo of proposed space for Hooters site in Plaza Bonita



Google Earth View of 3030 Plaza Bonita Road and Surrounding Area

This environmental scan is for the Conditional Use Permit for the proposed Hooters Restaurant, located at 3030 Plaza Bonita Blvd National City. The applicant is applying for a Conditional Use Permit to expand the amount of area within the business for sales of Beer, Wine, and Spirits. The business is located East of the 805 Freeway in National City. The applicant is requesting a type 47 Liquor License to sell Beer, Wine and Spirits for on-site consumption. An environmental scan was conducted on Monday, September 14, 2015.

The proposed business is the Hooters Restaurant, a restaurant with sales of food from a menu and beverages. During a scan of the business and property the following was noted:

- The proposed business would be one of several other businesses located in the mall. Currently there are 5 restaurants that have alcohol licenses in Plaza Bonita.
- The location of the proposed Hooters is located approximately 40 feet away from the Race Track for children. (see photo)



Youth Sensitive Areas

Funded by the San Diego County Health and Human Services Agency

2615 Camino del Rio So. #300 • San Diego, California, 92108 • Phone: 619.476-9100 • Fax: 619.476-9104

www.publicstrategies.org

The business is not located near any youth sensitive areas.

There are no youth sensitive activities that occur near the location such as a school or youth center, but there are other youth activities in this area such as;

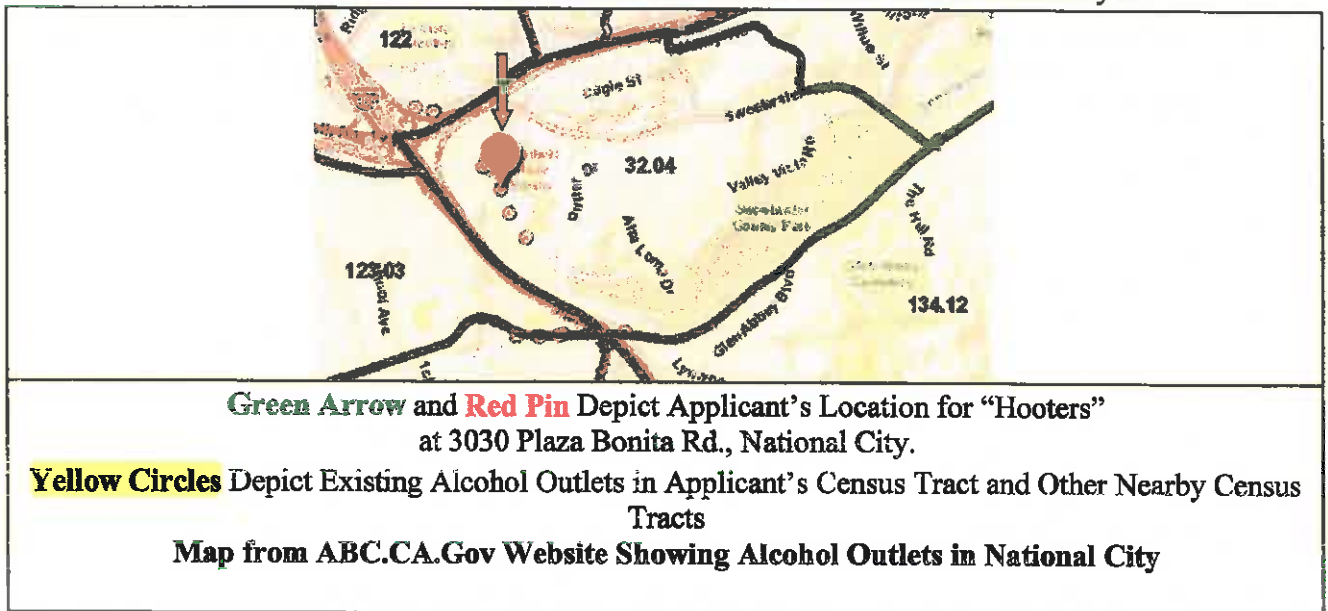
- The children's train loads and unloads at this area during the holidays.
- During the holidays there is a 'Santa & Elves' area in the area in front of the store where children have photo taken with 'Santa'.

Churches

The business is not located near any churches in the area.

Outlet Density

According to the ABC, four (4) on-site licenses are authorized for Census Tract 32.04, the census tract within the area of which the Hooters Restaurant is proposed. Currently there are six (6) on-sale licenses issued for the Census Tract is 32.04. This number exceeds the census tract allocation by 2.



Census Tracts

The South Bay Community Change Project is a project of the Institute for Public Strategies and is funded by the San Diego County Health and Human Services Agency

Page 2 of 3

Mailing Address: 2615 Camino del Rio So. #300 • San Diego, California, 92108 • Phone: 619.476-9100 • Fax: 619.476-9104
www.publicstrategies.org

	Off-Sale	On-Sale
Tract 32.04 <i>Establishment is within this tract</i>	Allowed: 2 Actual: 1 Number Above/Below Allowable: -1	Allowed: 4 Actual: 6 Above/Below: +2
	Off-Sale	On-Sale

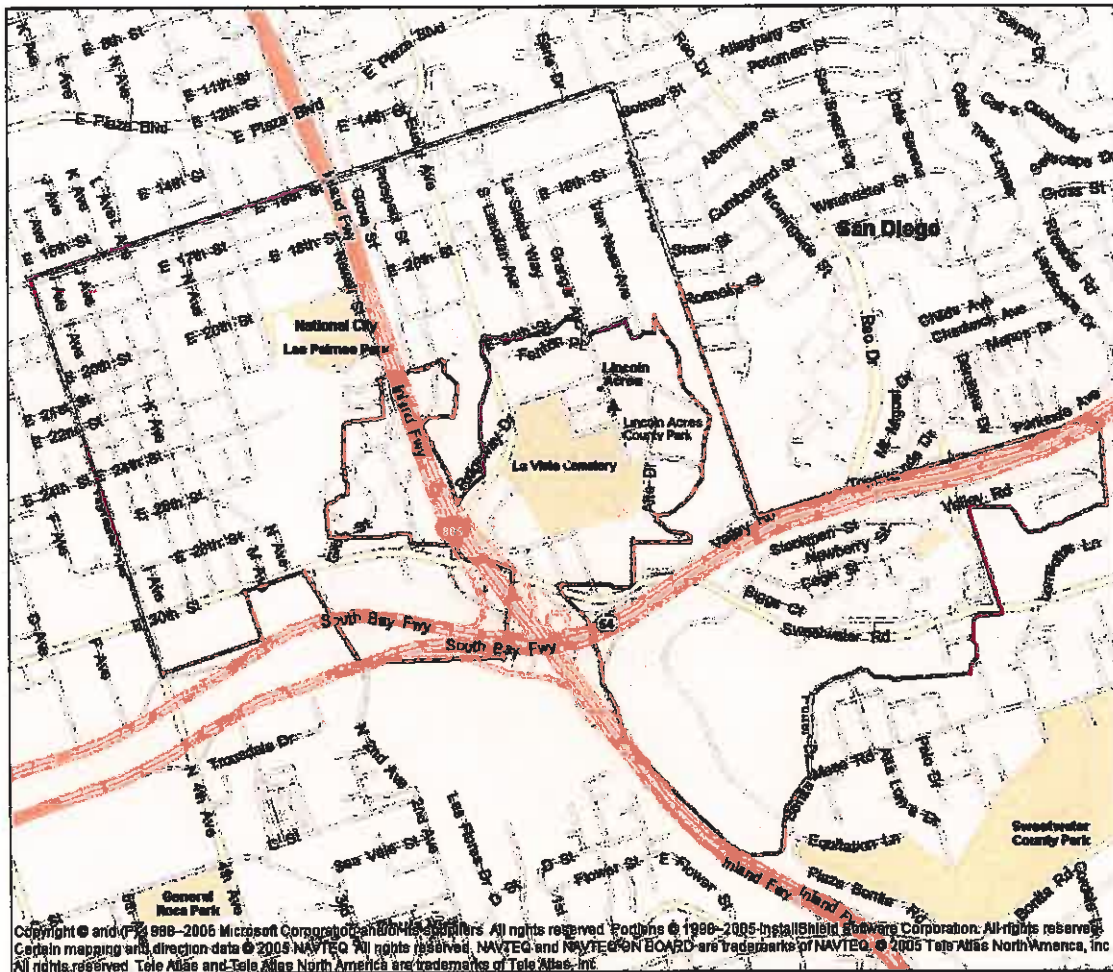
Crime Rate

Please refer to Police Department report.

Considerations

South Bay Community Change staff spoke to a community member Mr. Eddie Perez on September 20, 2015. He expressed his concerns by saying; "We're over saturated as it is in Plaza Bonita. Issuing a CUP for Hooters would result in more people driving under the influence of alcohol in that area".

South Bay Community Change staff also spoke to another community member, Marisol Natividad on September 20, 2015. Her concerns were; "If ABC has a limit on licenses allowed in an area, I have the right as a National City resident to ask that no other alcohol licenses be allowed at Plaza Bonita"



City of National City Beat 23

Source: Microsoft Mappoint
NCPD CAU, 4/18/07



CITY OF NATIONAL CITY - PLANNING DEPARTMENT
1243 NATIONAL CITY BLVD., NATIONAL CITY, CA 91950

NOTICE OF PUBLIC HEARING

CONDITIONAL USE PERMIT FOR ALCOHOL SALES
AT A PROPOSED HOOTERS RESTAURANT
TO BE LOCATED IN WESTFIELD PLAZA BONITA.
CASE FILE NO.: 2015-19 CUP
APN: 564-471-07

The National City Planning Commission will hold a public hearing after the hour of 6:00 p.m. **Monday, November 16, 2015**, in the City Council Chambers, Civic Center, 1243 National City Boulevard, National City, California, on the proposed request. (Applicant: Alcoholic Beverage Consulting)

The project site is a proposed 228-seat restaurant at Westfield Plaza Bonita. The applicant is intending to sell beer, wine, and distilled spirits (type 47 license) between the hours of 11 a.m. and 1 a.m. Monday to Saturday, and 11 a.m. to 12 a.m. on Sundays).

Information is available for review at the City's Planning Department, Civic Center. Members of the public are invited to comment. Written comments should be received by the Planning Department on or before 12:00 p.m., **November 16, 2015**, who can be contacted at 619-336-4310 or planning@nationalcityca.gov

If you challenge the nature of the proposed action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to, the public hearing.

NATIONAL CITY PLANNING DEPARTMENT

BRAD RAULSTON
Executive Director

RESOLUTION NO. 2015-24

**A RESOLUTION OF THE PLANNING COMMISSION OF
THE CITY OF NATIONAL CITY, CALIFORNIA, APPROVING A
CONDITIONAL USE PERMIT FOR ALCOHOL SALES
AT A PROPOSED HOOTERS RESTAURANT TO BE LOCATED
IN WESTFIELD PLAZA BONITA.
CASE FILE NO. 2015-22 CUP
APN: 564-471-07**

WHEREAS, the Planning Commission of the City of National City considered a Conditional Use Permit for alcohol sales at a proposed Hooters Restaurant to be located in Westfield Plaza Bonita at a duly advertised public hearing held on November 16, 2015, at which time oral and documentary evidence was presented; and,

WHEREAS, at said public hearings the Planning Commission considered the staff report contained in Case File No. 2015-22 CUP maintained by the City and incorporated herein by reference along with evidence and testimony at said hearing; and,

WHEREAS, this action is taken pursuant to all applicable procedures required by State law and City law; and,

WHEREAS, the action recited herein is found to be essential for the preservation of public health, safety, and general welfare.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of National City, California, that the testimony and evidence presented to the Planning Commission at the public hearing held on November 16, 2015, support the following findings:

- 1. That the proposed use is allowable within the applicable zoning district pursuant to a Conditional Use Permit and complies with all other applicable provisions of the Land Use Code, because the site is zoned Major Mixed-Use District (MXD-2), which allows the sale of alcoholic beverages for on-site consumption as an accessory use to eating places subject to a CUP.**
- 2. That the proposed use is consistent with the General Plan and any applicable specific plans, because alcohol sales are permitted, subject to a Conditional Use Permit, by the Land Use Code, which is consistent with the General Plan; and because alcohol sales for on-site consumption are a conditionally-allowed use in the Major Mixed-Use District zone.**
- 3. That the design, location, size, and operating characteristics of the proposed activity would be compatible with the existing and future land uses in the vicinity, because there are five other restaurants at Westfield Plaza Bonita that sell alcohol, and because no increase in square-footage would occur.**

4. That the site is physically suitable for the type, density, and intensity of use being proposed, including access, utilities, and the absence of physical constraints, because the proposed use would be accessory to a restaurant use in an existing commercial suite, which is not expected to increase the demand for parking on the property.
5. Granting the permit would not constitute a nuisance or be injurious or detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone in which the property is located, because the proposed use will be compatible with other nearby businesses; and because the proposed use will be subject to conditions that limit the sale of alcohol and restrict the hours that it will be available.
6. That the proposed project has been reviewed in compliance with the California Environmental Quality Act, because it has been determined that the proposed use is not a project per the Act; There is no calculable increase in traffic and no other impacts are anticipated; therefore, the project would not result in any physical changes to the environment.
7. That the proposed use is deemed essential and desirable to the public convenience and necessity, because it will contribute to the continued viability of a restaurant, an established and allowed use in the Major Mixed-Use District Zone.
8. That based on findings 1 through 7 above, public convenience and necessity will be served by a proposed use of the property for the retail sales of alcoholic beverages pursuant to law.

BE IT FURTHER RESOLVED that the application for Conditional Use Permit is approved subject to the following conditions:

General

1. This *Conditional Use Permit* authorizes the sale of beer, wine, and distilled spirits at a proposed restaurant to be located in Westfield Plaza Bonita. Plans submitted for permits associated with this project shall conform to Exhibit A, case file no. 2015-19 CUP, dated 8/27/2015.
2. *Within four (4) days* of approval, pursuant to Fish and Game Code 711.4 and the California Code of Regulations, Title 14, Section 753.5, the applicant shall pay all necessary environmental filing fees for the San Diego County Clerk. Checks shall be made payable to the County Clerk and submitted to the National City Planning Department.
3. This permit shall become null and void if not exercised within one year after adoption of the Resolution of approval unless extended according to procedures specified in the Municipal Code.
4. This permit shall expire if the use authorized by this resolution is discontinued for a period of 12 months or longer. This permit may also be revoked, pursuant to provisions of the Land Use Code, if discontinued for any lesser period of time.

5. This Conditional Use Permit may be revoked if the operator is found to be in violation of Conditions of Approval.
6. Before this Conditional Use Permit shall become effective, the applicant and the property owner both shall sign and have notarized an Acceptance Form, provided by the Planning Department, acknowledging and accepting all conditions imposed upon the approval of this permit. Failure to return the signed and notarized Acceptance Form within 30 days of its receipt shall automatically terminate the Conditional Use Permit. The applicant shall also submit evidence to the satisfaction of the Executive Director that a Notice of Restriction on Real Property is recorded with the County Recorder. The applicant shall pay necessary recording fees to the County. The Notice of Restriction shall provide information that conditions imposed by approval of the Conditional Use Permit are binding on all present or future interest holders or estate holders of the property. The Notice of Restriction shall be approved as to form by the City Attorney and signed by the Executive Director prior to recordation.

Planning

7. The sale of alcoholic beverages shall be limited to between the hours of 11:00 a.m. to 1:00 a.m. Monday to Saturday, and 11:00 a.m. to 12:00 a.m. on Sundays.
8. All sellers and servers of alcohol shall receive Responsible Beverage Service and Sales (RBSS) training, including all owners, and managers. The RBSS training must be certified by the Department of Alcoholic Beverage Control (ABC). Proof of completion of an approved RBSS program must be provided prior to issuance of a city business license. As part of the RBSS training, the permittee shall make available a domestic violence training session as provided by the Institute of Public Strategies.
9. The sale of alcohol shall not exceed the sale of food. With the annual renewal of the City business license, the business proprietor shall submit a statement clearly indicating total alcoholic beverage sales and total food sales. Said statement shall be subject to audit and verification by employees of the City, who are authorized to examine, audit and inspect such books and records of the license, as may be necessary in their judgment to verify that the sale of alcohol does not exceed the sale of food. All information obtained by an investigation of records shall remain confidential.
10. Alcohol shall be available only in conjunction with the purchase of food.
11. Exterior advertising and signs of all types, promoting or indicating the availability of alcoholic beverages, including advertising/signs directed to the exterior from within, are prohibited. Interior displays of alcoholic beverages and signs, which are clearly visible to the exterior, shall constitute a violation of this condition.

Police

12. Permittee shall comply with all regulatory provisions of the Business and Professions Code that pertain to the sale, display and marketing or merchandising of alcoholic beverages.

BE IT FURTHER RESOLVED that copies of this Resolution be transmitted forthwith to the applicant and to the City Council.

BE IT FINALLY RESOLVED that this Resolution shall become effective and final on the day following the City Council meeting where the Planning Commission resolution is set for review, unless an appeal in writing is filed with the City Clerk prior to 5:00 p.m. on the day of that City Council meeting. The City Council may, at that meeting, appeal the decision of the Planning Commission and set the matter for public hearing.

CERTIFICATION:

This certifies that the Resolution was adopted by the Planning Commission at their meeting of November 16, 2015, by the following vote:

AYES: Garcia, Baca, Yamane, Bush, Flores, Alvarado

NAYS: Dela Paz

ABSENT: None

ABSTAIN: None


CHAIRPERSON



CITY OF NATIONAL CITY

Office of the City Clerk

1243 National City Blvd., National City, California 91950

619-336-4228 phone / 619-336-4229 fax

Michael R. Dalla, CMC - City Clerk

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of National City will hold a Public Hearing after the hour of 6:00 p.m., **Tuesday, December 15, 2015**, in the City Council Chambers, Civic Center, 1243 National City Blvd., National City, CA., to consider:

**CONDITIONAL USE PERMIT FOR ALCOHOL
SALES AT A PROPOSED HOOTERS
RESTAURANT TO BE LOCATED IN
WESTFIELD PLAZA BONITA.**

The Planning Commission conducted a public hearing at their meeting of November 16, 2015 and voted to recommend approval of the Conditional Use Permit by a vote of 6 to 1.

Anyone interested in this matter may appear at the above time and place and be heard.

If you challenge the nature of the proposed action in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the undersigned, or to the City Council of the City of National City at, or prior to, the Public Hearing.

December 2, 2015

Michael R. Dalla, CMC
City Clerk

The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City approving a Conditional Use Permit for alcohol sales at a proposed Hooters Restaurant to be located in Westfield Plaza Bonita.
(Applicant: Alcoholic Beverage Consulting on behalf of Hooters Resta

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. _____

ITEM TITLE:

Resolution of the City Council of the City of National City approving a Conditional Use Permit for alcohol sales at a proposed Hooters Restaurant to be located in Westfield Plaza Bonita. (Applicant: Alcoholic Beverage Consulting on behalf of Hooters Restaurant) (Case File 2015-19 CUP)

PREPARED BY:  Martin Reeder, AICP

DEPARTMENT: Planning

PHONE: 336-4313

APPROVED BY: 

EXPLANATION:

The City Council conducted a public hearing on this item at the December 7, 2015 City Council meeting. The attached resolution is needed to take action on the item.

FINANCIAL STATEMENT:

APPROVED: _____ Finance

ACCOUNT NO. _____

APPROVED: _____ MIS

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: ☐

FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Adopt the Resolution

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

Resolution

RESOLUTION NO. 2015 –

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
APPROVING A CONDITIONAL USE PERMIT FOR ALCOHOL SALES
AT A PROPOSED HOOTERS RESTAURANT TO BE LOCATED
IN WESTFIELD PLAZA BONITA

WHEREAS, the Planning Commission of the City of National City considered a Conditional Use Permit for alcohol sales at a proposed Hooters Restaurant to be located in Westfield Plaza Bonita at a duly advertised public hearing held on December 15, 2015, at which time the City Council considered evidence; and

WHEREAS, at said public hearing the City Council considered the staff report provided for Case File No. 2015-19 CUP, which is maintained by the City and incorporated herein by reference; along with any other evidence presented at said hearing; and

WHEREAS, this action is taken pursuant to all applicable procedures required by State law and City law; and

WHEREAS, the action hereby taken is found to be essential for the preservation of the public health, safety and general welfare.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of National City, California, that the evidence presented to the City Council at the public hearing held on December 15, 2015, support the following findings:

FINDINGS FOR APPROVAL
OF THE CONDITIONAL USE PERMIT

1. That the proposed use is allowable within the applicable zoning district pursuant to a Conditional Use Permit and complies with all other applicable provisions of the Land Use Code, because the site is zoned Major Mixed-Use District (MXD-2), which allows the sale of alcoholic beverages for on-site consumption as an accessory use to eating places subject to a CUP.
2. That the proposed use is consistent with the General Plan and any applicable specific plans, because alcohol sales are permitted, subject to a Conditional Use Permit, by the Land Use Code, which is consistent with the General Plan; and because alcohol sales for on-site consumption are a conditionally-allowed use in the Major Mixed-Use District zone.
3. That the design, location, size, and operating characteristics of the proposed activity would be compatible with the existing and future land uses in the vicinity, because there are five other restaurants at Westfield Plaza Bonita that sell alcohol, and because no increase in square-footage would occur.
4. That the site is physically suitable for the type, density, and intensity of use being proposed, including access, utilities, and the absence of physical constraints, because the proposed use would be accessory to a restaurant use in an existing commercial suite, which is not expected to increase the demand for parking on the property.

5. Granting the permit would not constitute a nuisance or be injurious or detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone in which the property is located, because the proposed use will be compatible with other nearby businesses; and because the proposed use will be subject to conditions that limit the sale of alcohol and restrict the hours that it will be available.
6. That the proposed project has been reviewed in compliance with the California Environmental Quality Act, because it has been determined that the proposed use is not a project per the Act; There is no calculable increase in traffic and no other impacts are anticipated; therefore, the project would not result in any physical changes to the environment.
7. That the proposed use is deemed essential and desirable to the public convenience and necessity, because it will contribute to the continued viability of a restaurant, an established and allowed use in the Major Mixed-Use District Zone.
8. That based on findings 1 through 7 above, public convenience and necessity will be served by a proposed use of the property for the retail sales of alcoholic beverages pursuant to law.

BE IT FURTHER RESOLVED that the application for Conditional Use Permit is approved subject to the following conditions:

General

1. This Conditional Use Permit authorizes the sale of beer, wine, and distilled spirits at a proposed restaurant to be located in Westfield Plaza Bonita. Plans submitted for permits associated with this project shall conform to Exhibit "A", case file no. 2015-19 CUP, dated August 27, 2015.
2. Within four (4) days of approval, pursuant to Fish and Game Code 711.4 and the California Code of Regulations, Title 14, Section 753.5, the applicant shall pay all necessary environmental filing fees for the San Diego County Clerk. Checks shall be made payable to the County Clerk and submitted to the National City Planning Department.
3. This permit shall become null and void if not exercised within one year after adoption of the Resolution of approval unless extended according to procedures specified in the Municipal Code.
4. This permit shall expire if the use authorized by this resolution is discontinued for a period of 12 months or longer. This permit may also be revoked, pursuant to provisions of the Land Use Code, if discontinued for any lesser period of time.
5. This Conditional Use Permit may be revoked if the operator is found to be in violation of Conditions of Approval.

6. Before this Conditional Use Permit shall become effective, the applicant and the property owner both shall sign and have notarized an Acceptance Form, provided by the Planning Department, acknowledging and accepting all conditions imposed upon the approval of this permit. Failure to return the signed and notarized Acceptance Form within 30 days of its receipt shall automatically terminate the Conditional Use Permit. The applicant shall also submit evidence to the satisfaction of the Executive Director that a Notice of Restriction on Real Property is recorded with the County Recorder. The applicant shall pay necessary recording fees to the County. The Notice of Restriction shall provide information that conditions imposed by approval of the Conditional Use Permit are binding on all present or future interest holders or estate holders of the property. The Notice of Restriction shall be approved as to form by the City Attorney and signed by the Executive Director prior to recordation.

Planning

7. The sale of alcoholic beverages shall be limited to between the hours of 11:00 a.m. to 1:00 a.m., Monday to Saturday, and 11:00 a.m. to 12:00 a.m. on Sundays.
8. All sellers and servers of alcohol shall receive Responsible Beverage Service and Sales (RBSS) training, including all owners, and managers. The RBSS training must be certified by the Department of Alcoholic Beverage Control (ABC). Proof of completion of an approved RBSS program must be provided prior to issuance of a city business license. As part of the RBSS training, the permittee shall make available a domestic violence training session as provided by the Institute of Public Strategies.
9. The sale of alcohol shall not exceed the sale of food. With the annual renewal of the City business license, the business proprietor shall submit a statement clearly indicating total alcoholic beverage sales and total food sales. Said statement shall be subject to audit and verification by employees of the City, who are authorized to examine, audit and inspect such books and records of the license, as may be necessary in their judgment to verify that the sale of alcohol does not exceed the sale of food. All information obtained by an investigation of records shall remain confidential.
10. Alcohol shall be available only in conjunction with the purchase of food.
11. Exterior advertising and signs of all types, promoting or indicating the availability of alcoholic beverages, including advertising/signs directed to the exterior from within, are prohibited. Interior displays of alcoholic beverages and signs, which are clearly visible to the exterior, shall constitute a violation of this condition.

Police

12. Permittee shall comply with all regulatory provisions of the Business and Professions Code that pertain to the sale, display, and marketing or merchandising of alcoholic beverages.

BE IT FURTHER RESOLVED that this Resolution shall become effective, final, and conclusive on the day following the City Council meeting where this Resolution is adopted. The time within which judicial review of this decision may be sought is governed by the provisions of Code of Civil Procedures Section 1094.6.

PASSED and ADOPTED this 15th day of December, 2015.

Ron Morrison, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Claudia Gacitua Silva
City Attorney

The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City authorizing the Mayor to execute a Fifth Amendment to the Agreement with Safdie Rabines Architects to extend the term of the Agreement to April 30, 2016 and increase the not-to-exceed amount of t

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the Mayor to execute a Fifth Amendment to the Agreement with Safdie Rabines Architects to extend the term of the Agreement to April 30, 2016 and increase the not-to-exceed amount of the Agreement by \$60,000, for a total Agreement amount of \$913,630, to provide additional architectural and construction support services for the National City Aquatic Center, including preparation of as-built drawings.

PREPARED BY: Stephen Manganiello

DEPARTMENT: Engineering & Public Works

PHONE: 336-4382

APPROVED BY: _____

EXPLANATION:

See attached.



FINANCIAL STATEMENT:

APPROVED: _____

Finance

ACCOUNT NO.

APPROVED: _____

MIS

Funds available in account #001-409-500-598-3816 (San Diego Unified Port District CIP)

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: ☐ **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Adopt resolution to execute a Fifth Amendment to the Agreement with Safdie Rabines Architects to provide additional architectural and construction support services for the National City Aquatic Center, including preparation of as-built drawings.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Explanation
2. Fifth Amendment to Agreement original agreement dated Sept. 6, 2011
3. Resolution

Explanation:

On September 6, 2011 per City Council Resolution No. 2011-213, the City of National City entered into an agreement with Safdie Rabines Architects (SRA) to provide architectural services to design the National City Aquatic Center in the not to exceed amount of \$291,777.

On March 20, 2012, per City Council Resolution No. 2012-64, a First Amendment to the Agreement was executed to increase the amount of the Agreement by \$61,653, for a total Agreement amount of \$353,630. The First Amendment also amended the scope of services to include a redesign of certain elements, additional geotechnical work and creation of an Operating and Maintenance document required by the Port of San Diego.

On November 19, 2013, per City Council Resolution No. 2013-171, a Second Amendment to the Agreement was executed to extend the term of the agreement to December 31, 2014 and increase the amount of the Agreement by \$150,000, for a total Agreement amount of \$503,630.

On August 5, 2014, per City Council Resolution No. 2014-102, a Third Amendment to the Agreement was executed increasing the not-to-exceed amount by \$270,000 for a total Agreement amount of \$773,630.

On May 19, 2015, per City Council Resolution No. 2015-71, a Fourth Amendment to the Agreement was executed to extend the term of the agreement to December 31, 2015 and increase the amount of the Agreement by \$80,000, for a total Agreement amount of \$853,630.

Since the project is approximately one year behind schedule due to contractor delays, SRA has spent their remaining funding allocation for architectural and construction support services. Additional funds are needed to allow for continued services through construction completion, which is scheduled for January 2016. Following construction completion, SRA is required to revise the plans to reflect "as-built" conditions.

Therefore, staff is requesting a Fifth Amendment to the Agreement to extend the term of the Agreement to April 30, 2016 and increase the not-to-exceed amount by \$60,000, for a total Agreement amount of \$913,630.

Funding for this amendment is available through the San Diego Unified Port District Capital Improvement Program grant awarded to National City for completion of the National City Aquatic Center.

**FIFTH AMENDMENT TO AGREEMENT
BY AND BETWEEN
THE CITY OF NATIONAL CITY
AND
SAFDIE RABINES ARCHITECTS**

This Fifth Amendment to the Agreement is entered into this 15th day of December 2015 by and between the City of National City, a municipal corporation ("CITY"), and Safdie Rabines Architects, (the "CONSULTANT").

RECITALS

WHEREAS, the CITY and the CONSULTANT entered into an agreement on September 6, 2011, ("the Agreement") through the adoption of City of National City Council Resolution No. 2011-213, wherein the CONSULTANT agreed to provide architectural services for the National City Aquatic Center.

WHEREAS, the original Agreement had a not to exceed amount of \$291,777; and

WHEREAS, on March 20, 2012, the City Council adopted Resolution No. 2012-64 approving the First Amendment to the Agreement increasing the not-to-exceed amount by \$61,853, for a total Agreement amount of \$353,630, and amending the scope of services to include a redesign of certain elements, additional geotechnical work, and creation of the Operating and Maintenance document required by the Port of San Diego; and

WHEREAS, on November 19, 2013, the City Council adopted Resolution No. 2013-171 approving the Second Amendment to the Agreement increasing the not-to-exceed amount by \$150,000 for a total Agreement amount of \$503,630, and extending the term of the agreement to December 31, 2014; and

WHEREAS, on August 5, 2014, the City Council adopted Resolution No. 2014-102 approving the Third Amendment to the Agreement increasing the not-to-exceed amount by \$270,000 for a total Agreement amount of \$773,630; and

WHEREAS, on May 19, 2015, the City Council adopted Resolution No. 2015-71 approving the Fourth Amendment to the Agreement increasing the not-to-exceed amount by \$80,000 for a total Agreement amount of \$853,630, and extending the term of the agreement to December 31, 2015; and

WHEREAS, the parties desire to extend the term of the Agreement to April 30, 2016; and

WHEREAS, the parties desire to increase the not-to-exceed amount by \$60,000, for a total Agreement amount of \$913,630, to provide additional architectural and construction support services for the National City Aquatic Center, including preparation of as-built drawings.

AGREEMENT

NOW, THEREFORE, the parties hereby agree to amend the Agreement entered into on September 6, 2011 as follows:

1. Extend the term of the Agreement through April 30, 2016, by amending Paragraph Number 6 of the Agreement by adding the following:

In the event the tasks described in Exhibit "A" are not completed on or before June 30, 2013 due to changes in the project schedule, the term of the agreement shall be extended to April 30, 2016.

2. Increase the not-to-exceed amount by \$60,000, for a total Agreement amount of \$913,630.
3. The amendment to Paragraph Number 6 contained herein is effective as of June 30, 2013.
4. The parties further agree that with the foregoing exceptions, each and every term and provision of the Agreement dated September 6, 2011, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF NATIONAL CITY

SAFDIE RABINES ARCHITECTS

By: _____
Ron Morrison, Mayor

By: _____
Ricardo Rabines, President

By: _____
Taal Safdie, Secretary and CFO

APPROVED AS TO FORM:

Claudia Gacitua Silva
City Attorney

**AGREEMENT
BY AND BETWEEN
THE CITY OF NATIONAL CITY
AND
SAFDIE RABINES ARCHITECTS**

THIS AGREEMENT is entered into this 6th day of September, 2011, by and between the CITY OF NATIONAL CITY, a general law municipal government (the "City"), and SAFDIE RABINES ARCHITECTS, an architect (the "CONSULTANT").

R E C I T A L S

WHEREAS, the City desires to employ a CONSULTANT to provide architectural and project oversight services for final design and construction of the National City Aquatic Center.

WHEREAS, the City has determined that the CONSULTANT is a **registered architect** and is qualified by experience and ability to perform the services desired by the City, and the CONSULTANT is willing to perform such services.

WHEREAS, pursuant to and consistent with the Cooperation Agreement by and between the City of National City and the Community Development Commission of the City of National City adopted on February 15, 2011, the City is undertaking development of the Aquatic Center on behalf of the Community Development Commission; and

WHEREAS, said Cooperation Agreement does not constitute a pledge of the use of General Funds for the Aquatic Center but rather obligates the use of non-General Funding such as 2011 Tax Allocation bonds, Tax Increment funding and/or Capital Improvement Funds provided by the Port of San Diego.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONSULTANT.** The City hereby agrees to engage the CONSULTANT and the CONSULTANT hereby agrees to perform the services hereinafter set forth in accordance with all terms and conditions contained herein.

The CONSULTANT represents that all services required hereunder will be performed directly by the CONSULTANT or under direct supervision of the CONSULTANT.

2. **SCOPE OF SERVICES.** The CONSULTANT will perform services as set forth in the attached Exhibit "A".

The CONSULTANT shall be responsible for all research and reviews related to the work and shall not rely on personnel of the City for such services, except as authorized in

advance by the City. The CONSULTANT shall appear at meetings cited in Exhibit "A" to keep staff and City Council advised of the progress on the project.

The City may unilaterally, or upon request from the CONSULTANT, from time to time reduce or increase the Scope of Services to be performed by the CONSULTANT under this Agreement. Upon doing so, the City and the CONSULTANT agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services, not to exceed a factor of 10% from the base amount.

3. PROJECT COORDINATION AND SUPERVISION.

Patricia Beard hereby is designated as the Project Coordinator for the City and will monitor the progress and execution of this Agreement. The CONSULTANT shall assign a single Project Director to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONSULTANT. Susan Richard thereby is designated as the Project Director for the CONSULTANT.

4. COMPENSATION AND PAYMENT. The compensation for the CONSULTANT shall be based on monthly billings covering actual work performed. Billings shall include labor classifications, respective rates, hours worked and also materials, if any. The total cost for all work described in Exhibit "A" shall not exceed \$291,177 (the Base amount) without prior written authorization from the City Manager. Monthly invoices will be processed for payment and remitted within thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Exhibit "A" as determined by the City.

The CONSULTANT shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the CITY and for furnishing of copies to the City, if requested.

CONSULTANT acknowledges and accepts that CITY is undertaking the Aquatic Center project pursuant to its obligations set forth in the Cooperation Agreement by and between the City of National City and the Community Development Commission of the City of National City, and that CITY is not committing its general funds to payment for these services, but rather the 2011 Tax Allocation Bond proceeds, tax increment funds, and/or funds provided by the Port of San Diego will be used for such payments.

5. ACCEPTABILITY OF WORK. The City shall decide any and all questions which may arise as to the quality or acceptability of the services performed and the manner of performance, the acceptable completion of this Agreement and the amount of compensation due. In the event the CONSULTANT and the City cannot agree to the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT in this Agreement, the City or the CONSULTANT shall give to the other written notice. Within ten (10) business days, the CONSULTANT and the City shall each prepare a report which supports their position and file the same with the other party. The City shall, with reasonable diligence, determine the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT.

6. **LENGTH OF AGREEMENT.** This contract shall expire and all tasks described in Exhibit "A" will be completed on or before June 30, 2013.

7. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT for this Project, whether paper or electronic, shall become the property of the City for use with respect to this Project, and shall be turned over to the City upon completion of the Project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the City and CONSULTANT thereby expressly waives and disclaims, any copyright in, and the right to reproduce, all written material, drawings, plans, specifications or other work prepared under this agreement, except upon the City's prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the City, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONSULTANT agrees that the City may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium or method utilize the CONSULTANT's written work product for the City's purposes, and the CONSULTANT expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the City of documents, drawings or specifications prepared by the CONSULTANT shall relieve the CONSULTANT from liability under Section 15 but only with respect to the effect of the modification or reuse by the City, or for any liability to the City should the documents be used by the City for some project other than what was expressly agreed upon within the Scope of this project, unless otherwise mutually agreed.

8. **INDEPENDENT CONSULTANT.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners or joint venturers with one another. Neither the CONSULTANT nor the CONSULTANT'S employees are employee of the City and are not entitled to any of the rights, benefits, or privileges of the City's employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONSULTANT and the CONSULTANT's employees, and it is recognized by the parties that a substantial inducement to the City for entering into this Agreement was, and is, the professional reputation and competence of the CONSULTANT and its employees. Neither this Agreement nor any interest herein may be assigned by the CONSULTANT without the prior written consent of the City. Nothing herein contained is intended to prevent the CONSULTANT from employing or hiring as many employees, or subCONSULTANT's, as the CONSULTANT may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONSULTANT with its subCONSULTANT(s) shall require the subCONSULTANT to adhere to the applicable terms of this Agreement.

9. **CONTROL.** Neither the City nor its officers, agents or employees shall have any control over the conduct of the CONSULTANT or any of the CONSULTANT's employees except as herein set forth, and the CONSULTANT expressly agrees not to represent that the CONSULTANT or the CONSULTANT's agents, servants, or employees are

in any manner agents, servants or employees of the City, it being understood that the CONSULTANT, its agents, servants, and employees are as to the City wholly independent CONSULTANTS and that the CONSULTANT's obligations to the City are solely such as are prescribed by this Agreement.

10. **COMPLIANCE WITH APPLICABLE LAW.** The CONSULTANT, in the performance of the services to be provided herein, shall comply with all applicable State and Federal statutes and regulations, and all applicable ordinances, rules and regulations of the City of National City, whether now in force or subsequently enacted. The CONSULTANT, and each of its subCONSULTANTS, shall obtain and maintain a current City of National City business license prior to and during performance of any work pursuant to this Agreement.

11. **LICENSES, PERMITS, ETC.** The CONSULTANT represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONSULTANT represents and covenants that the CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONSULTANT to practice its profession.

12. **STANDARD OF CARE.**

A. The CONSULTANT, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONSULTANT'S trade or profession currently practicing under similar conditions and in similar locations. The CONSULTANT shall take all special precautions necessary to protect the CONSULTANT's employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

B. Unless disclosed in writing prior to the date of this agreement, the CONSULTANT warrants to the City that it is not now, nor has it for the five (5) years preceding, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONSULTANT's professional performance or the furnishing of materials or services relating thereto.

C. The CONSULTANT is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONSULTANT has been retained to perform, within the time requirements of the City, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONSULTANT has notified the City otherwise, the CONSULTANT warrants that all products, materials, processes or treatments identified in the project documents prepared for the City are reasonably commercially available. Any failure by the CONSULTANT to use due diligence under this sub-paragraph will render the CONSULTANT liable to the City for any increased costs that result from the City's later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

13. **NON-DISCRIMINATION PROVISIONS.** The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONSULTANT will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of

compensation, and selection for training, including apprenticeship. TheCONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the City setting forth the provisions of this non-discrimination clause.

14. **CONFIDENTIAL INFORMATION.** The City may from time to time communicate to the CONSULTANT certain confidential information to enable the CONSULTANT to effectively perform the services to be provided herein. The CONSULTANT shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the City. The CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 14, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONSULTANT without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to the CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party.

The CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the City. In its performance hereunder, the CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

CONSULTANT shall be liable to City for any damages caused by breach of this condition, pursuant to the provisions of Section 14.

15. **INDEMNIFICATION AND HOLD HARMLESS.** The CONSULTANT agrees to defend, indemnify, and hold harmless the City of National City, its officers and employees, against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suits, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of the CONSULTANT's negligent performance of this Agreement.

16. **WORKERS' COMPENSATION.** The CONSULTANT shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Government Code and all amendments thereto; and all similar state or Federal acts or laws applicable; and shall indemnify, and hold harmless the City and its officers, and employees from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including reasonable attorney's fees and defense costs presented, brought or recovered against the City or its officers, employees, or volunteers, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONSULTANT under this Agreement.

17. **INSURANCE.** The CONSULTANT, at its sole cost and expense, shall purchase and maintain, and shall require its subCONSULTANTS, when applicable, to purchase and maintain throughout the term of this agreement, the following insurance policies:

☒ A. If checked, Professional Liability Insurance (errors and omissions) with minimum limits of \$1,000,000 per occurrence.

B. Automobile insurance covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include owned, non-owned, and hired vehicles ("any auto").

C. Commercial general liability insurance, with minimum limits of \$1,000,000 per occurrence/\$2,000,000 aggregate, covering all bodily injury and property damage arising out of its operations under this Agreement.

D. Workers' compensation insurance in an amount sufficient to meet statutory requirements covering all of CONSULTANT'S employees and employers' liability insurance with limits of at least \$1,000,000 per accident. In addition, the policy shall be endorsed with a waiver of subrogation in favor of the City. Said endorsement shall be provided prior to commencement of work under this Agreement.

E. The aforesaid policies shall constitute primary insurance as to the City, its officers, employees, and volunteers, so that any other policies held by the City shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the City of cancellation or material change.

F. Said policies, except for the professional liability and workers' compensation policies, shall name the City and its officers, agents and employees as additional insureds, and separate additional insured endorsements shall be provided.

G. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the CONSULTANT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement. In addition, the "retro" date must be on or before the date of this Agreement.

H. Any aggregate insurance limits must apply solely to this Agreement.

I. Insurance shall be written with only California admitted companies which hold a current policy holder's alphabetic and financial size category rating of not less than A VIII according to the current Best's Key Rating Guide, or a company equal financial stability that is approved by the National City Risk Manager. In the event coverage is provided by non-admitted "surplus lines" carriers, they must be included on the most recent California List of Eligible Surplus Lines Insurers (LESLI list) and otherwise meet rating requirements.

J. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the National City Risk Manager. If the CONSULTANT does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the City may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

K. All deductibles and self-insured retentions in excess of \$10,000 must be disclosed to and approved by the City.

18. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney's fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorney's fees to the prevailing party if other than the City shall, in addition, be limited to the amount of attorney's

fees incurred by the City in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

19. **MEDIATION/ARBITRATION.** If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree first to try, in good faith, to settle the dispute by mediation in San Diego, California, in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA") before resorting to arbitration. The costs of mediation shall be borne equally by the parties. Any controversy or claim arising out of, or relating to, this Agreement, or breach thereof, which is not resolved by mediation shall be settled by arbitration in San Diego, California, in accordance with the Commercial Arbitration Rules of the AAA then existing. Any award rendered shall be final and conclusive upon the parties, and a judgment thereon may be entered in any court having jurisdiction over the subject matter of the controversy. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the costs of its own experts, evidence and attorneys' fees, except that the arbitrator may assess such expenses or any part thereof against a specified party as part of the arbitration award.

20. **TERMINATION.** A. This Agreement may be terminated with or without cause by the City. Termination without cause shall be effective only upon 60-day's written notice to the CONSULTANT. During said 60-day period the CONSULTANT shall perform all services in accordance with this Agreement.

B. This Agreement may also be terminated immediately by the City for cause in the event of a material breach of this Agreement, misrepresentation by the CONSULTANT in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the City.

C. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONSULTANT as provided for herein.

D. In the event of termination, all finished or unfinished Memoranda Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT, whether paper or electronic, shall immediately become the property of and be delivered to the City, and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, and less any damages caused the City by the CONSULTANT's breach, if any. Thereafter, ownership of said written material shall vest in the City all rights set forth in Section 7.

E. The City further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONSULTANT; (2) a reorganization of the CONSULTANT for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONSULTANT.

21. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or telegraphed or cabled; or delivered or sent by telex, telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, (iv) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid, or

(v) if given by telex, telecopy, facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To CITY: Chris Zapata
City Manager
of the City of National City
1243 National City Boulevard
National City, CA 91950-4301

To CONSULTANT: Ricardo Rabines
Safdie Rabines Architects
925 Fort Stockton Drive
San Diego CA 92103
619-297-6153

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent. Any notice, request, demand, direction or other communication sent by cable, telex, telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

22. CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS. During the term of this Agreement, the CONSULTANT shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the City. The CONSULTANT also agrees not to specify any product, treatment, process or material for the project in which the CONSULTANT has a material financial interest, either direct or indirect, without first notifying the City of that fact. The CONSULTANT shall at all times comply with the terms of the Political Reform Act and the National City Conflict of Interest Code. The CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the City in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. The CONSULTANT represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the City.

☐ If checked, the CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and the National City Conflict of Interest Code. Specifically, the CONSULTANT shall file a Statement of Economic Interests with the City Clerk of the City of National City in a timely manner on forms which the CONSULTANT shall obtain from the City Clerk.

The CONSULTANT shall be strictly liable to the City for all damages, costs or expenses the City may suffer by virtue of any violation of this Paragraph 21 by the CONSULTANT.

23. MISCELLANEOUS PROVISIONS.

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such

date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state or legal holiday.

B. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

I. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

J. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

K. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

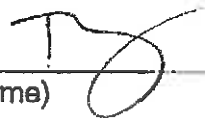
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF NATIONAL CITY

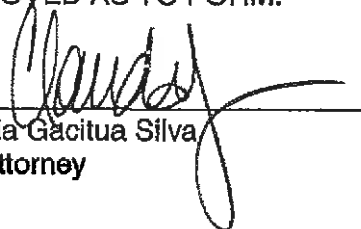
By: 
Ron Morrison
Mayor

SAFDIE RABINÉS ARCHITECTS

(Corporation - two signatures)

By: 
(Name)
Taal Safdie
(Print)
Principal
(Title)

APPROVED AS TO FORM:


Claudia Gacitua Silva
City Attorney

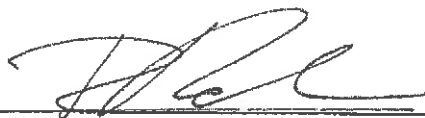
By: 
(Name)
JOE R. RABINES
(Print)
PRINCIPAL
(Title)

EXHIBIT "A"

SAFDIERABINES ARCHITECTS

925 Fort Stockton Drive, San Diego, California 92103-1726
619.297.6153 Fax 619.299.6072 www.safdlrabines.com

Patricia Beard
City of National City
1243 National City Blvd
National City CA 91950

July 28, 2011

Hi Pat,

Below are the services and fees associated with Construction Documents, Bid Support and Construction Administration Services.

A. Construction Documents

1. Total Time and Materials Estimated Fee: \$192,905.00

2. Services:

a. Architectural Services:

- i. Fee: \$126,650.00
- ii. Construction Documents: \$112,930
 - Sr. Principal 9 hrs x \$250 = \$2,250
 - Project Manager 308 hrs x \$170 = \$52,360
 - Designer 3 432 hrs x \$135 = \$58,320
- iii. Incorporate EsGil comments into the Drawings
- iv. Coordinate with design team to finalize the construction documents.
- v. Incorporate any re-check comments into the drawings
- vi. Coordinate and incorporate any outstanding utility issues
- vii. Provide CSI format specifications
- viii. Drawings and Specifications for Artist portion of work: \$8,620
 - Sr. Principal 2 hrs x \$250.00 = \$500.00
 - Project Manager 16 hrs x \$170 = \$2,720
 - Designer 3 40 hrs x \$135.00 = \$5,400
- ix. Provide specifications and incorporate artist's portion of work into the construction drawings for architectural coordination only.
- x. Security consultant coordination: \$5,100
 - Sr. Principal 2 hrs x \$250.00 = \$500.00
 - Project Manager 8 hrs x \$170 = \$1,360
 - Designer 3 24 hrs x \$135.00 = \$3,240
- xi. Coordinate with security consultant & electrical engineer
- xii. incorporate camera locations into architectural drawings

b. MEP Services:

- i. Fee: \$9,240.00
- ii. Construction Documents: \$6,834.00
 - PM/PE 18 hrs x \$145 = \$2610
 - Elect. S. Designer 20 hrs x \$96 = \$1920
 - Mech. S. Designer 24 hrs x \$96 = \$2304
- iii. Incorporate EsGil plan check comments dated October 08, 2008
- iv. Complete coordination for the project (one coordination meeting)
- v. Provide new electrical power design for communications and security systems. Design of communications and security systems by others.
- vi. Complete construction document/bid drawings in AutoCAD 2010 format

- vii. Complete CSI format specifications (book form) Division 15 and 16
 - viii. Incorporate new plan check comments after re-submittal
 - ix. Security Consultant Coordination: \$2,406.00
 - PM/PE 6 hrs x \$145 = \$870
 - Elect. S. Designer 16 hrs x \$96 = \$1536
 - x. Coordinate with security consultant. Add conduit as required in drawings.
- c. Landscape Services:
- i. Fee: \$1,905.00
 - 5 hours x \$125 = \$625
 - 16 hours x \$80 = \$1,280
 - ii. Preliminary team coordination and attendance at 1 team meetings
 - iii. Revision allowance to incorporate design changes and base update.
 - iv. Submit planting and irrigation construction documents for building permit. Incorporate plan check comments.
 - v. Complete CSI format specifications for planting and irrigation.
 - vi. Project management: email and phone calls.
- e. Structural Services:
- i. Fee: \$22,280
 - ii. Construction Documents:
 - SE 85 hours x \$130 = \$11,050
 - Drafting 90 hours x \$75 = \$6,750
 - iii. Creation of final construction documents, including incorporation of all plan review comments, final coordination with architectural and consultants drawings, completion of original project specifications.
 - iv. Coordination for Artist portion of work:
 - SE 16 hours x \$130 = \$2,080
 - Drafting 32 hours x \$75 = \$2,400
 - v. Coordination with Artist's structural engineer and incorporation of required items into drawings.
- f. Civil Services:
- i. Fee: \$15,000.00
 - 40 hours x \$165 = \$6,600
 - SWPPP = \$5,000
 - USMP = \$3,400
 - ii. Prepare grading plan based on site plan provided by client or client's agent. Plan shall be prepared for approval in accordance with the City of National City standards. Prepare grading plan at 20-scale showing grading and drainage around the buildings, pavement, curbs, retaining walls if any, hardscape, and walkways. This will not be prepared on the City's titleblock. We understand that a grading permit will not be required.
 - iii. Prepare earthwork calculations, according to City of National City methodology.
 - iv. Prepare erosion control plan to accompany site grading plan.
 - v. Prepare Specifications to accompany grading plans.
 - vi. Prepare SWPPP and USMP documents
 - vii. Attend meetings and coordinate with client and client's agent and consultants, an allocation of five (5) meetings have been assumed for this task.
- g. Artist Services:
- i. Fee: \$11,870.00
 - Canopy Design = \$5,100
 - Tile Design = \$3,900

- Drawings & Models = \$1,000
- Structural Engineer Fee = \$1,870

h. Security Services: \$4,960.00 fixed fee

- i. Commit a day to project site walk, interaction with architect and key project personnel, and initial CD-level drawing review/redlining for locating physical security devices.
- ii. Develop a generic physical security video system design suitable for public-sector bidding.
- iii. Complete the drawing redline process and deliver such (including key device detail and references) to design team for inclusion on CAD drawings to be completed by design team.
- iv. Develop a video surveillance system technical specification in Division 28 format suitable for public sector bidding.
- v. Participate in up to two man hours of project related con calls during this project phase (including associated/required prep and follow-up work).
- vi. Review of design team-developed CAD drawings of video surveillance system prior to bid publication.

i. Cost Estimate Services:

- i. Fee: \$1,000.00 fixed fee
- ii. Final Construction Document Cost Review to determine any differences after completion of Construction Documents.

B. Bid Support

1. Total Time and Materials Estimated Fee: \$8,226.00

2. Services:

a. Architectural Services:

- i. Fee: \$2,980.00
 - Project Manager 8 hours x \$170
 - Designer 3 12 hours x \$135
- ii. Attend pre-bid meeting
- iii. Respond to bid RFIs

b. MEP Services:

- i. Fee: \$1,131.00
 - PM/PE 2.5 hrs x \$145 = \$363
 - Elect. S. Designer 4 hrs x \$96 = \$384
 - Mech. S. Designer 4 hrs x \$96 = \$384
- ii. Respond to pre-bid Request for Information (RFIs)
- iii. Participate in pre bid meeting and prepare addenda as required.
- iv. Provide bid review comments and recommendations.

c. Landscape Services:

- i. Fee: \$240.00
 - 3 hours x \$80 = \$240
- ii. Bidding assistance, answering questions and clarifying the Construction Documents during the Bidding Period.

d. Structural Services:

- i. Fee: \$1,040.00
 - 8 hours x \$130
- ii. Participate in pre bid meeting and prepare addenda as required.

- iii. Bidding assistance
 - e. Civil Services:
 - i. Fee: \$2,475.00
 - 15 hours x \$165
 - ii. Participate in pre bid meeting and prepare addenda as required.
 - iii. Bidding assistance
 - f. Artist Services:
 - i. Artist Fee: \$160
 - 2 hours x \$80
 - ii. Structural Engineer Fee: \$200
 - 2 hours x \$100

C. Construction Administration

- 1. Total Time and Materials Estimated Fee: \$83,757.00
 - a. Based on a construction time of one year (52 weeks).
- 2. Services:
 - a. Architectural Services:
 - i. Fee: \$52,580.00
 - Sr. Principal 20 hours x \$250
 - Project Manager 156 hours x \$170
 - Designer 3 156 hours x \$135
 - ii. Attend pre-construction meeting
 - iii. Review and respond to RFIs and submittals
 - iv. Attend weekly construction meetings
 - b. MEP Services:
 - i. Fee: \$3,392.00
 - PM/PE 7.5 hrs x \$145 = \$1088
 - Elect. S. Designer 12 hrs x \$96 = \$1152
 - Mech. S. Designer 12 hrs x \$96 = \$1152
 - ii. Respond to pre-bid Request for Information (RFIs)
 - iii. Participate in pre bid meeting and prepare addenda as required.
 - iv. Provide bid review comments and recommendations.
 - v. Participate in preconstruction meeting.
 - vi. Review submittals and shop drawings
 - vii. Respond to Request for Information (RFIs)
 - viii. Conduct two (2) construction progress meetings.
 - ix. Conduct final punch list inspection.
 - c. Landscape Services:
 - i. Fee: \$5,325.00
 - 33 hours x \$125 = \$4,125
 - 15 hours x \$80 = \$1,200
 - ii. Planting and irrigation submittal review
 - iii. Observation reports (1 for each observation visit listed below). Notification: while observing construction at the site, Consultant will keep the Client informed of the progress of construction through written Site Observation Notes. Consultant may recommend to the Client the rejection of work failing to conform to the Construction Drawings and Specifications. Consultant will advise and assist the Client with change order issues only upon Client's request.

Consultant will make visits to the site, as stipulated below to familiarize ourselves with the progress and quality of construction of the work within the Consultant's scope-of-work and to determine in general if the construction is proceeding in general accordance with the design intent and construction documents.

- Planting up to 3 site observation reviews including:
 - Soil preparation and fine grading
 - Tree layout / installation
 - Shrub, succulent and ground cover installation
 - Irrigation up to 3 site observation reviews
 - Pressure test of irrigation main line and mainline layout
 - Drip line layout
 - Coverage test of irrigation system
 - iv. Substantial completion punch list and punch list completion for hardscape, planting and irrigation (prior to plant maintenance period). Allow 2 visits.
 - v. Project management: email and phone calls.
- d. Structural Services:
- i. Fee: \$2,340.00
 - 18 hours x \$130
 - ii. Participate in preconstruction meeting.
 - iii. Attend up to two (2) construction related meetings
 - iv. Submittal review, RFI response, and other construction administration services
- e. Civil Services:
- i. Fee: \$6,600
 - 40 hours x \$165
 - ii. Participate in preconstruction meeting.
 - iii. Attend up to two (2) construction related meetings
 - iv. Submittal review, RFI response, and other construction administration services.
- f. Artist Services:
- i. Fee: \$11,030
 - ii. Artist Fee: \$8,030
 - Canopy - Graphic Designs of Interior, file creation for final print format = \$3,000
 - Canopy Template Pattern Creation and Print = \$550
 - Tile Design Layout with instruction for water-jet cut pieces = \$3,000
 - Canopy and Tile - Inspections -fabrication and installation = \$1,000
 - iii. Participate in preconstruction meeting and attend construction related meetings. Total of 6 hours.
 - iv. Structural Engineer Fee: \$3,000
- g. Security Services:
- i. Fee: \$2,490
 - ii. Assist design team in responding to video surveillance system RFI's.
 - iii. Review up to three (3) bid submittals, providing written rating comparison spreadsheet based on client-provided weighting/rating evaluation criteria. In the absence of client-provided evaluation/decision criteria, PlanNet will provide a spreadsheet comparing bid systems to one another and against current industry standards and directions.

D. Special Irrigation Services

- a. Special Irrigation Services (if required): AB 1881 Irrigation Requirements, AB 1881 Planting Requirements, AB 1881 Certificate of Completion and one additional site visit.

i. Fee: \$1,210.00

- 2 hours x \$125 = \$250
- 12 hours x \$80 = \$960

ii. Note this does not include: AB1881 Irrigation schedule and water audit.

E. Security Services for the YMCA

a. Provide services including coordination, meetings and documentation of security items if required by the YMCA.

i. Fee: \$5,680.00

- 32 hours x \$135 = \$4,320
- 8 hours x \$170 = \$1,360

F. Reimbursables

1. Total Estimated Fee: \$7,500

a. Architectural: \$3,000

i. Includes mileage at current IRS rate and expenses at cost plus 15%

ii. Includes printing, postage, and other expenses

b. MEP: \$1,000

c. Landscape: \$1,000

d. Structural: \$1,000

e. Civil: \$1,500

Exclusions and Provisions

1. The following items are not part of the scope of services and shall be billed as additional services if the services are required:

- a. The scope and fee proposal is based on the understanding that the project is still under the 2001 CBC code and that no revisions to calculations, reports or any other similar item other than those specifically included in the proposal will need to be provided.
- b. The scope and fee proposal is based on the understanding that the materials and systems previously designed for the project are still available and applicable for the project. Any revisions to the materials and/or systems will be billed on an hourly basis as additional services.
- c. The scope and fee proposal is based on the understanding that no redesign will be required due to the added security work. Additional fees will be requested for any redesign resulting from security items.
- d. A grading plan/permit and related engineering cost estimate will not be required per email sent to us from Byron on May 06, 2011.
- e. New SWPPP and USMP documents are required by the Port for review and approval. There are included in the proposal.
- f. Revisions and/or design changes originated from City of National City, Port of San Diego, YMCA, or other similar entity not resulting from building permit review comments.
- g. Revisions and/or design modifications due to any changes in site conditions since October 2008.
- h. Preparation of presentation materials, 3D images/renderings and presentations.

Thank you for your consideration of our request and please let us know if there are any questions.

Susan Richard

RESOLUTION NO. 2011 – 213

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
RESCINDING RESOLUTION NO. 2011-199, AND AUTHORIZING
THE MAYOR TO EXECUTE AN AGREEMENT BY AND BETWEEN
THE CITY OF NATIONAL CITY AND SAFDIE RABINES ARCHITECTS
FOR THE NOT TO EXCEED AMOUNT OF \$291,777 TO PROVIDE
ARCHITECTURAL SERVICES TO DESIGN THE NATIONAL CITY
AQUATIC CENTER TO BE LOCATED IN PEPPER PARK

WHEREAS, as the result of a competitive request for proposals process, on July 12, 2005, the Community Development Commission of the City of National City ("CDC") and Safdie Rabines Architects entered into an Agreement (the "Agreement") for architectural services to design the National City Aquatic Center to be located in Pepper Park; and

WHEREAS, on February 15, 2011 the City and CDC entered into a Cooperation Agreement allowing the City to complete CDC projects; and

WHEREAS, on February 28, 2011, the CDC issued \$39,660,000 in Tax Allocation Bonds, in part to fund construction of the Aquatic Center, which requires the project to be complete within three years of the issuance date; and

WHEREAS, the Coastal Development Permit for the project was issued by the Port of San Diego on August 2, 2011, requiring construction to occur within two years; and

WHEREAS, the building permit for the project was issued on August 17, 2011, and requires that construction be underway within six months; and

WHEREAS, the due to the Bond Issuance and permits issued, the project is an enforceable obligation of the CDC as defined by the State of California; and

WHEREAS, the Agreement includes public art to be installed by Lisa Schirmer, an artist selected in a competitive request for proposals process, which has been approved by the National City Public Art Committee and the Port of San Diego, and

WHEREAS, the cost and scope of the services within the Agreement have been determined to be reasonable against the California Multi-Agency Capital Improvement Projects (CIP) Benchmarking Study, 2010.

WHEREAS, pursuant to and consistent with the Cooperation Agreement by and between the City of National City and the Community Development Commission of the City of National City adopted on February 15, 2011, the City is undertaking development of the Aquatic Center on behalf of the Community Development Commission; and

WHEREAS, said Cooperation Agreement does not constitute a pledge of the use of General Funds for the Aquatic Center but rather obligates the use of non-General Funding such as 2011 Tax Allocation bonds, Tax Increment funding and/or Capital Improvement Funds provided by the Port of San Diego; and

WHEREAS, on September 6, 2011, the City Council adopted Resolution 2011-199, approving an agreement with Safdie Rabines Architects for architectural services to design the National City Aquatic Center to be located in Pepper Park; and


WHEREAS, subsequently, typographical errors were discovered in the Resolution and Agreement that required correction; and

WHEREAS, the corrected Agreement contains the same scope and terms approved by the City Council on September 6, 2011.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby rescinds Resolution 2011-199.

BE IT FURTHER RESOLVED that the City Council of the City of National City hereby authorizes the Mayor to execute an Agreement between the City of National City and Safdie Rabines Architects for the not to exceed amount of \$291,777 to provide architectural services to design the National City Aquatic Center to be located in Pepper Park. Said Agreement is on file in the office of the City Clerk.

PASSED and ADOPTED this 27th day of September, 2011.



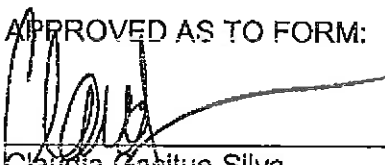
Ron Morrison, Mayor

ATTEST:



Michael R. Dalla, City Clerk

APPROVED AS TO FORM:



Claudia Gacitua Silva
City Attorney

Passed and adopted by the Council of the City of National City, California, on September 27, 2011 by the following vote, to-wit:

Ayes: Councilmembers Morrison, Natividad, Rios, Sotelo-Solis, Zarate.

Nays: None.

Absent: None.

Abstain: None.

AUTHENTICATED BY: RON MORRISON
Mayor of the City of National City, California

MICHAEL R. DALLA
City Clerk of the City of National City, California

By: _____
Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2011-213 of the City of National City, California, passed and adopted by the Council of said City on September 27, 2011.



Michael R. Dalla
City Clerk of the City of National City, California

By: _____
Deputy

RESOLUTION NO. 2015 –

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING THE MAYOR TO EXECUTE A FIFTH AMENDMENT
TO THE AGREEMENT WITH SAFDIE RABINES ARCHITECTS TO EXTEND
THE TERM OF THE AGREEMENT TO APRIL 30, 2016, AND INCREASE
THE NOT-TO-EXCEED AMOUNT OF THE AGREEMENT BY \$60,000,
FOR A TOTAL AGREEMENT AMOUNT OF \$913,630, TO PROVIDE
ADDITIONAL ARCHITECTURAL AND CONSTRUCTION SUPPORT SERVICES
FOR THE NATIONAL CITY AQUATIC CENTER, INCLUDING
PREPARATION OF AS-BUILT DRAWINGS

WHEREAS, on September 6, 2011, the City Council adopted Resolution No. 2011-213, to enter into an Agreement with Safdie Rabines Architects ("SRA") to provide architectural services to design the National City Aquatic Center for the not to exceed amount of \$291,777; and

WHEREAS, on March 20, 2012, the City Council adopted Resolution No. 2012-64, entering into a First Amendment to the Agreement to increase the scope of services to include a redesign of certain elements, additional geotechnical work, and creation of an Operating and Maintenance document required by the Port of San Diego, and increasing the amount of the Agreement by \$61,653, for a total Agreement amount of \$353,630; and

WHEREAS, on November 19, 2013, the City Council adopted Resolution No. 2013-171, entering into the Second Amendment to the Agreement to extend the term of the Agreement to December 31, 2014, and increasing the not to exceed amount of the Agreement by \$150,000, for a total Agreement amount of \$503,630; and

WHEREAS, on August 5, 2014, the City Council adopted Resolution No. 2014-102, entering into a Third Amendment increasing the not-to-exceed amount by \$270,000 for a total Agreement amount of \$773,630; and

WHEREAS, on May 19, 2015, the City Council adopted Resolution No. 2015-71, entering into a Fourth Amendment to extend the term of the Agreement to December 31, 2015, and increasing the amount of the Agreement by \$80,000, for a total Agreement amount of \$853,630; and

WHEREAS, because the project is approximately one year behind schedule due to contractor delays, SRA has spent their remaining funding allocation for architectural and construction support services; and

WHEREAS, after construction completion, which is scheduled for January, SRA is required to revise the plans to reflect "as-built" conditions; and

WHEREAS, to allow for continued services, a Fifth Amendment to the Agreement is necessary to extend the term of the Agreement to April 30, 2016, and increase the not to exceed amount by \$60,000, for a total Agreement amount of \$913,630.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the Mayor to execute the Fifth Amendment to the Agreement with Safdie Rabines Architects to extend the term of the Agreement to April 30, 2016, and increase the not to exceed amount by \$60,000, for a total Agreement amount of \$913,630, to provide continued architectural services for the National City Aquatic Center.

PASSED and ADOPTED this 15th day of December, 2015.

Ron Morrison, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Claudia Gacitua Silva
City Attorney

The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City authorizing the Mayor to execute an Agreement with Ameresco, Inc., to conduct an Energy Audit of City facilities (Phase I), develop a project scope of energy and water saving measures to fund cap

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. _____

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the Mayor to execute an Agreement with Ameresco, Inc., to conduct an Energy Audit of City facilities (Phase I), develop a project scope of energy and water saving measures to fund capital costs, forecast savings, and present a financing solution.

PREPARED BY: Jose Lopez, Civil Engineering Tech

DEPARTMENT: Engineering/Public Works

PHONE: Ext. 4312

APPROVED BY: _____



EXPLANATION:

See attached.

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

No financial impact at this time. However, if the City declines to enter into an agreement with Ameresco, Inc. for Phase II pending completion of Phase I, the City will be required to reimburse Ameresco, Inc., the Energy Audit cost of \$70,639.00.

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Adopt proposed resolution

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Explanation
2. Standard Services Agreement
3. Resolution

BACKGROUND INFORMATION:

In accordance with the City's Energy Roadmap and Climate Action Plan, Council directed staff on June 3, 2014 to "solicit proposals pursuant to California Government Code 4217, to design, install, and finance sustainability improvements within municipal facilities."

In July 2014, the City's Engineering and Public Works Department advertised a Request for Statement of Qualifications (SOQ) for an energy services contract to make sustainability improvements to City facilities under a guaranteed energy savings contract. Proposals were solicited to provide energy-related capital improvement services through performance-based contracting. These services would include design, installation, maintenance, and monitoring of energy and water saving upgrades at City facilities (see list of City sites per attached Exhibit "C") with a guarantee that monetary savings will cover the cost of the upgrades. The City received two responses which were evaluated by a 5 member selection committee consisting of city staff, councilmembers and outside consultants. The panel gave Ameresco Inc. the highest overall rating.

Accordingly City staff and Ameresco negotiated an Energy Audit Agreement (Phase 1) and staff seeks authorization from Council for the Mayor to execute it. Following execution of the Energy Audit Agreement, Ameresco will conduct an Energy Audit of City facilities, develop a project scope of energy and water saving measures, forecast savings, present a financing solution, and offer a guarantee that cost savings will cover project costs. In the event Ameresco is unable to identify enough savings to cover the project costs, they will notify the City and cease activities under this contract at no charge to the City.

The total project size, anticipated savings, and scope will not be known until Phase 1 is complete. However the City required firms to include a preliminary scope of measures and project estimates in their SOQ responses in order to gain insight into respondent's technical approach to project development. Sample figures from Ameresco's response are included below, for discussion purposes only.

- Total Project Size: \$3-5 million*

Sample of conservation measures from Ameresco's SOQ response:

- Equipment replacement*
- Interior lighting upgrades*
- Outdoor and ballpark lighting replacement*
- Energy efficient heating system at the Municipal Pool*
- Solar PV systems (including a 106KW system and new roof for the ARTS Center)*
- Water conservation (including water efficient irrigation and landscaping for Kimball Park)*
- Vehicle replacement with hybrid cars and trucks*
- Sports lighting upgrades (including Kimball Park Baseball Field)*

**Note that the above conservation measures and estimates were prepared during a short period of time from the very limited data and facility access the City provided to SOQ respondents and are not reliable indicators of what the actual Energy Audit will recommend. The Energy Audit process will include much deeper and wider analysis of City facilities to flush-out the technical and financial feasibility of the preliminary conservation measures identified in the SOQ and many more.*

Per the Energy Audit agreement, Ameresco will:

1. Conduct an energy and water audit of City facilities, including utility consumption and bill analysis, facility assessments, and energy modeling.
2. Recommend a set of conservation measures, which may include improvements to water, irrigation, landscaping, lighting, heating, ventilation, and air-conditioning systems, as well as building envelope upgrades such as roof replacement, renewable energy systems such as solar panels, and energy management systems.
3. Quantify total energy, water, and cost savings expected from the project.
4. Present a plan to finance up to 100% of the upfront project costs (a lower portion if the City chooses to contribute CIP funds) that maximizes use of rebates, grants, and other incentives, utilizing low-interest and zero-interest financing where available.
5. Offer a guarantee that that annual cost savings from the project will be sufficient to cover all financing costs and payback any capital investment over the life of the project (either 20 years or the expected useful-life of the measures, whichever is less). If the savings in a given year are not sufficient to cover these costs, Ameresco will be obligated to reimburse the City for the shortfall.
6. Deliver an Asset Sustainability Assessment, a survey of the City facilities to determine the future operational costs of the buildings beyond energy efficiency, which will assist the City in making future asset management decisions.

Upon completion of the Energy Audit, City staff will evaluate the recommended improvement scope and work with Ameresco to make revisions. Staff will then bring the proposed project before City Council to seek approval and authorization to execute an Energy Services Agreement (ESA) under California Government Code Section 4217. The ESA (Phase 2) will cover further engineering design, permitting, project management, construction management, equipment installation, commissioning, and measurement and verification of energy savings.

California Government Code Section 4217 facilitates public agencies' energy conservation efforts by authorizing them to enter into an ESA to develop and conduct energy efficiency and renewable energy projects at public facilities. Under 4217, the governing body of a public agency shall make certain findings that the contract is in the public's best interest and pays for itself out of the savings.

The Energy Audit will provide the City with the information it needs to evaluate the costs and benefits of proceeding with wide ranging sustainability improvements for municipal

facilities in Phase 2 through an ESA. It is important to note that the City is not obligated to enter into Phase 2. In the event that the City decides not to implement the project, or chooses to proceed with a provider other than Ameresco, the City will be required to reimburse Ameresco the total cost of the Energy Audit report of \$70,639. If the City decides to proceed with implementation and enter into an ESA with Ameresco, the Energy Audit cost will be included in the project cost.

Staff recommends the City Council of the City of National City authorize the Mayor to execute an Agreement with Ameresco, Inc., to conduct an Energy Audit of City facilities (Phase I), develop a project scope of energy and water saving measures to fund capital costs, forecast savings, and present a financing solution.

**AGREEMENT
BY AND BETWEEN
THE CITY OF NATIONAL CITY
AND
AMERESCO, INC.**

THIS AGREEMENT is entered into this 15th day of December, 2015, by and between the CITY OF NATIONAL CITY, a municipal corporation (the "CITY"), and AMERESCO, INC., a Delaware corporation ("Ameresco" or the "CONTRACTOR").

R E C I T A L S

WHEREAS, the CITY desires to employ a CONTRACTOR to perform an Energy Audit at the facilities listed in Exhibit "B".

WHEREAS, the CITY has determined that the CONTRACTOR is a provider of comprehensive energy efficacy and renewable energy solutions and is qualified by experience and ability to perform the services desired by the CITY, and the CONTRACTOR is willing to perform such services.

Whereas, performance of the Energy Audit constitutes the first phase ("Phase 1") of an energy conservation project (the "Project").

Whereas, if Ameresco is directed by The CITY to proceed with the implementation of the recommendations following the Energy Audit, the second phase of the Project ("Phase 2") will consist of the design and installation of energy conservation measures described and recommended in the Energy Audit Report (defined in Exhibit "A").

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONTRACTOR.** The CITY agrees to engage the CONTRACTOR, and the CONTRACTOR agrees to perform the services set forth here in accordance with all terms and conditions contained herein.

The CONTRACTOR represents that all services shall be performed directly by the CONTRACTOR or under direct supervision of the CONTRACTOR.

2. **SCOPE OF SERVICES** The CONTRACTOR will perform services as set forth in the attached Exhibit "A".

The CONTRACTOR shall be responsible for all research and reviews related to the work and shall not rely on personnel of the CITY for such services, except as authorized in advance by the CITY. The CONTRACTOR shall appear at meetings specified in Exhibit "A" to keep staff and City Council advised of the progress on the Project.

The CITY may unilaterally, or upon request from the CONTRACTOR, from time to time reduce or increase the Scope of Services to be performed by the CONTRACTOR under this Agreement. Upon doing so, the CITY and the CONTRACTOR agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services, not to exceed a factor of 25% from the base amount. If the CITY adds additional facilities to the scope of the Energy Audit, the CITY shall compensate Ameresco for the Special Energy Audit at a mutually agreed upon price, which will be reflected as an increase to the Energy Audit Price.

3. **PROJECT COORDINATION AND SUPERVISION.** Kuna Muthusamy, hereby is designated as the Project Coordinator for the CITY and will monitor the progress and execution of this Agreement. The CONTRACTOR shall assign a single Project Director to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONTRACTOR. Nancy Rorabaugh, thereby is designated as the Project Director for the CONTRACTOR.

4. **COMPENSATION AND PAYMENT.** The compensation for the CONTRACTOR shall be based on the billing and payment schedule outlined in Exhibit "A" and is agreeable between the parties.

Billings shall include labor classifications, respective rates, hours worked and also materials, if any. The total cost for all work described in Exhibit "A" shall not exceed the schedule given in Exhibit "A" (the Base amount) without prior written authorization from the CITY. Monthly invoices will be processed for payment and remitted within thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Exhibit "A", as determined by the CITY, unless the Parties proceed to Phase 2, as described in section 1.3 of Exhibit "A".

The CONTRACTOR shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred, and shall make such materials available at its office during normal business hours upon reasonable prior notice during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the CITY, and for furnishing of copies to the CITY, if requested.

5. **ACCEPTABILITY OF WORK.** The City shall decide any and all questions which may arise as to the quality or acceptability of the services performed and the manner of performance, the acceptable completion of this Agreement, and the amount of compensation due. In the event the CONTRACTOR and the City cannot agree to the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONTRACTOR in this Agreement, the City or the CONTRACTOR shall give to the other written notice. Within ten (10) business days, the CONTRACTOR and the City shall each prepare a report which supports their position and file the same with the other party. The City shall, with reasonable diligence, determine the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONTRACTOR.

6. **EFFECTIVE DATE AND LENGTH OF AGREEMENT.** This Agreement will become effective on DECEMBER 15, 2015. The duration of this Agreement is for the

period of December 15, 2015 through December 15, 2017. With mutual agreement of the parties, this Agreement may be extended for an additional year.

7. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications, and other documents prepared by the CONTRACTOR for this Project, whether paper or electronic, shall become the property of the CITY for use with respect to this Project, and shall be turned over to the CITY upon completion of the Project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONTRACTOR hereby assigns to the CITY, and CONTRACTOR thereby expressly waives and disclaims any copyright in, and the right to reproduce, all written material, drawings, plans, specifications, or other work prepared under this Agreement, except upon the CITY'S prior authorization regarding reproduction, which authorization shall not be unreasonably withheld, and as may be necessary in furtherance of the CONTRACTOR'S implementation of Phase 2 hereof, if applicable. The CONTRACTOR shall, upon request of the CITY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONTRACTOR agrees that the CITY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium, or method utilize the CONTRACTOR'S written work product for the CITY'S purposes, and the CONTRACTOR expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the CITY of documents, drawings, or specifications prepared by the CONTRACTOR shall relieve the CONTRACTOR from liability under Section 14, but only with respect to the effect of the modification or reuse by the CITY, or for any liability to the CITY should the documents be used by the CITY for some project other than what was expressly agreed upon within the Scope of this project, unless otherwise mutually agreed.

8. **INDEPENDENT CONTRACTOR.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners, or joint venturers with one another. Neither the CONTRACTOR nor the CONTRACTOR'S employees are employees of the CITY, and are not entitled to any of the rights, benefits, or privileges of the CITY'S employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONTRACTOR and the CONTRACTOR'S employees, and it is recognized by the parties that a substantial inducement to the CITY for entering into this Agreement was, and is, the professional reputation and competence of the CONTRACTOR and its employees. Neither this Agreement nor any interest herein may be assigned by the CONTRACTOR without the prior written consent of the CITY. Nothing herein contained is intended to prevent the CONTRACTOR from employing or hiring as many employees, or SUBCONTRACTORS, as the CONTRACTOR may deem

necessary for the proper and efficient performance of this Agreement. All agreements by CONTRACTOR with its SUBCONTRACTOR(S) shall require the SUBCONTRACTOR(S) to adhere to the applicable terms of this Agreement.

9. **CONTROL.** Neither the CITY nor its officers, agents, or employees shall have any control over the conduct of the CONTRACTOR or any of the CONTRACTOR'S employees, except as herein set forth, and the CONTRACTOR or the CONTRACTOR'S agents, servants, or employees are not in any manner agents, servants, or employees of the CITY, it being understood that the CONTRACTOR its agents, servants, and employees are as to the CITY wholly independent CONTRACTOR, and that the CONTRACTOR'S obligations to the CITY are solely such as are prescribed by this Agreement.

10. **COMPLIANCE WITH APPLICABLE LAW.** The CONTRACTOR, in the performance of the services to be provided herein, shall comply with all applicable state and federal statutes and regulations, and all applicable ordinances, rules, and regulations of the City of National City, whether now in force or subsequently enacted. The CONTRACTOR and each of its SUBCONTRACTOR(S), shall obtain and maintain a current City of National City business license prior to and during performance of any work pursuant to this Agreement.

11. **LICENSES, PERMITS, ETC.** The CONTRACTOR represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONTRACTOR represents and covenants that the CONTRACTOR shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONTRACTOR to practice its profession in the State of California.

12. **STANDARD OF CARE.**

A. The CONTRACTOR, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONTRACTOR'S trade or profession currently practicing under similar conditions and in similar locations. The CONTRACTOR shall take all special precautions necessary to protect the CONTRACTOR'S employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

B. Unless disclosed in writing prior to the date of this Agreement, the CONTRACTOR warrants to the CITY that it is not now, nor has it for the five (5) years preceding, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONTRACTOR'S professional performance or the furnishing of materials or services relating thereto.

C. The CONTRACTOR is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONTRACTOR has been retained to perform, within the time requirements of the CITY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONTRACTOR has notified the CITY otherwise, the CONTRACTOR warrants that all products, materials, processes or treatments identified in the project documents prepared for the CITY are reasonably commercially available. Any failure by the CONTRACTOR to use due diligence under this sub-paragraph will render the CONTRACTOR liable to the CITY for any

increased costs that result from the CITY'S later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

13. **NON-DISCRIMINATION PROVISIONS.** The CONTRACTOR shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONTRACTOR will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the CITY setting forth the provisions of this non-discrimination clause.

14. **CONFIDENTIAL INFORMATION.** The CITY may from time to time communicate to the CONTRACTOR certain confidential information to enable the CONTRACTOR to effectively perform the services to be provided herein. To the extent permitted by law, the CONTRACTOR shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the CITY. The CONTRACTOR shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 14, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONTRACTOR, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONTRACTOR without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to the CONTRACTOR by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party.

The CONTRACTOR shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the CITY. In its performance hereunder, the CONTRACTOR shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

The CONTRACTOR shall be liable to the CITY for any damages caused by breach of this condition, pursuant to the provisions of Section 14.

If the CITY receives a request under the California public records laws for a copy of any information or documentation which the CONTRACTOR has indicated, by written notice to the City, the CONTRACTOR considers confidential and proprietary, the CITY shall notify the CONTRACTOR so that the CONTRACTOR may, at the CONTRACTOR'S sole cost and expense, seek relief from compliance with such request.

15. **INDEMNIFICATION AND HOLD HARMLESS.** The CONTRACTOR agrees to defend, indemnify and hold harmless the City of National City, its officers and employees,

against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suites, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of the CONTRACTOR'S performance or other obligations under this Agreement; provided, however, that this indemnification and hold harmless shall not include any claims or liability arising from the established sole negligence or willful misconduct of the City, its agents, officers, or employees. The indemnity, defense, and hold harmless obligations contained herein shall survive the termination of this Agreement for any alleged or actual omission, act, or negligence under this Agreement that occurred during the term of this Agreement.

16. **WORKERS' COMPENSATION.** The CONTRACTOR shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Government Code and all amendments thereto; and all similar State or federal acts or laws applicable; and shall indemnify, and hold harmless the CITY and its officers, and employees from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description, including reasonable attorney's fees and defense costs presented, brought or recovered against the CITY or its officers, employees, or volunteers, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONTRACTOR under this Agreement.

17. **INSURANCE.** The CONTRACTOR, at its sole cost and expense, shall purchase and maintain, and shall require its SUBCONTRACTOR(S), when applicable, to purchase and maintain throughout the term of this Agreement, the following checked insurance policies:

A. ☒ If checked, **Professional Liability Insurance** (errors and omissions) with minimum limits of \$1,000,000 per occurrence.

B. **Automobile Insurance** covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include owned, non-owned, and hired vehicles ("any auto"). The policy shall name the CITY and its officers, agents and employees as additional insureds, and a separate additional insured endorsement shall be provided.

C. **Commercial General Liability Insurance**, with minimum limits of \$2,000,000 per occurrence and \$4,000,000 aggregate, covering all bodily injury and property damage arising out of its operations under this Agreement. The policy shall name the CITY and its officers, agents and employees as additional insureds, and a separate additional insured endorsement shall be provided. The general aggregate limit must apply solely to this "project" or "location".

D. **Workers' Compensation Insurance** in an amount sufficient to meet statutory requirements covering all of CONTRACTOR'S employees and employers' liability insurance with limits of at least \$1,000,000 per accident. In addition, the policy shall be endorsed with a waiver of subrogation in favor of the City. Said endorsement shall be provided prior to commencement of work under this Agreement.

If CONTRACTOR has no employees subject to the California Workers' Compensation and Labor laws, CONTRACTOR shall execute a Declaration to that effect. Said Declaration shall be provided to CONTRACTOR by CITY.

E. The aforesaid policies shall constitute primary insurance as to the CITY, its officers, employees, and volunteers, so that any other policies held by the CITY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the CITY of cancellation or material change.

F. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the CONTRACTOR shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement. In addition, the "retro" date must be on or before the date of this Agreement.

G. Insurance shall be written with only California admitted companies that hold a current policy holder's alphabetic and financial size category rating of not less than A VIII according to the current Best's Key Rating Guide, or a company equal financial stability that is approved by the CITY'S Risk Manager. In the event coverage is provided by non-admitted "surplus lines" carriers, they must be included on the most recent California List of Eligible Surplus Lines Insurers (LESLI list) and otherwise meet rating requirements.

H. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the CITY'S Risk Manager. If the CONTRACTOR does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the CITY may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

I. All deductibles and self-insured retentions in excess of \$10,000 must be disclosed to and approved by the CITY.

18. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney's fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorney's fees to the prevailing party if other than the CITY shall, in addition, be limited to the amount of attorney's fees incurred by the CITY in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

19. **MEDIATION/ARBITRATION.** If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree first to try, in good faith, to settle the dispute by mediation in San Diego, California, in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA") before resorting to arbitration. The costs of mediation shall be borne equally by the parties. If any controversy or claim arising out of, or relating to, this Agreement, or breach thereof, is not resolved by mediation then either or any party hereto may resort to any and all available judicial proceedings in a court of competent jurisdiction.

20. **TERMINATION.**

A. This Agreement may be terminated with or without cause by the CITY. Termination without cause shall be effective only upon 60-day's written notice to the CONTRACTOR. During said 60-day period the CONTRACTOR shall perform all services in accordance with this Agreement.

B. This Agreement may also be terminated immediately by the CITY for cause in the event of a material breach of this Agreement, misrepresentation by the CONTRACTOR in connection with the formation of this Agreement or the performance of services, or the failure to perform services in accordance with this Agreement. Notwithstanding the foregoing, the CITY shall not have the right to terminate this Agreement for cause as provided in this Section 20B unless the CITY has first given the CONTRACTOR prior notice of any such breach and a period of ten (10) business days, in the case of a monetary breach, and thirty (30) calendar days (plus such additional reasonable time as may be required if any such breach cannot reasonably be cured within such 30-day period) in the case of a non-monetary breach.

C. This Agreement may also be terminated immediately by the CONTRACTOR for cause in the event of a material breach of this Agreement, misrepresentation by the CITY in connection with the formation of this Agreement or the performance of the CITY's obligations hereunder, or the failure of the CITY to perform its obligations in accordance with this Agreement. Notwithstanding the foregoing, the CONTRACTOR shall not have the right to terminate this Agreement for cause as provided in this Section 20C unless the CONTRACTOR has first given the CITY prior notice of any such breach and a period of ten (10) business days, in the case of a monetary breach, and thirty (30) calendar days (plus such additional reasonable time as may be required if any such breach cannot reasonably be cured within such 30-day period) in the case of a non-monetary breach.

D. Termination with or without cause shall be effected by delivery of written Notice of Termination to the defaulting party by the non-defaulting party as provided for herein.

E. In the event of termination, all finished or unfinished Memoranda Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONTRACTOR, whether paper or electronic, shall immediately become the property of and be delivered to the CITY, and the CONTRACTOR shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, and less any damages caused the CITY by the CONTRACTOR'S breach, if any. Thereafter, ownership of said written material shall vest in the CITY all rights set forth in Section 7.

F. The CITY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONTRACTOR; (2) a reorganization of the CONTRACTOR for the benefit of creditors; or (3) a business reorganization or change in business status of the CONTRACTOR, or an assignment of this Agreement as a result of a sale of the assets of the CONTRACTOR which assignment has not been approved by the City in accordance with Section 8 hereof.

21. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or delivered or sent by telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (ii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, or (iii) if given by telecopy, facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To CITY: Kuna Muthusamy, P.E.
Assistant Director of Engineering and Public Works
Engineering and Public Works Department
City of National City
1243 National City Boulevard
National City, CA 91950-4301

To CONTRACTOR:
Nancy Rorabaugh
Business Development
Ameresco, INC.
60 Rio Salado Parkway, Suite 1001
Tempe, AZ 85281

With a copy to:

General Counsel
Ameresco, Inc.
111 Spoon Street, Suite 410
Framingham, MA 01701

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent. Any notice, request, demand, direction or other communication sent by telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

22. CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS. The CONTRACTOR agrees not to specify any product, treatment, process or material for the project in which the CONTRACTOR has a material financial interest, either direct or indirect, without first notifying the CITY of that fact. The CONTRACTOR shall at all times comply with the terms of the Political Reform Act and the National City Conflict of Interest Code. The CONTRACTOR shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the CITY in which the CONTRACTOR has a financial interest as defined in Government Code Section 87103. The CONTRACTOR represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the CITY.

☐ If checked, the CONTRACTOR shall comply with all of the reporting requirements of the Political Reform Act and the National City Conflict of Interest Code. Specifically, the CONTRACTOR shall file a Statement of Economic Interests with the City Clerk of the City of National City in a timely manner on forms which the CONTRACTOR shall obtain from the City Clerk.

The CONTRACTOR shall be strictly liable to the CITY for all damages, costs or expenses the CITY may suffer by virtue of any violation of this Paragraph 22 by the CONTRACTOR.

23. PREVAILING WAGES. State prevailing wage rates may apply to work performed under this Agreement. State prevailing wages rates apply to all public works contracts as set forth in California Labor Code, including but not limited to, Sections 1720, 1720.2, 1720.3, 1720.4, and 1771. CONTRACTOR is solely responsible to determine if State prevailing wage rates apply and, if applicable, pay such rates in accordance with all laws, ordinances, rules, and regulations.

24. MISCELLANEOUS PROVISIONS.

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state, or legal holiday.

B. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

I. *Audit.* If this Agreement exceeds ten-thousand dollars (\$10,000), the parties shall be subject to the examination and audit of the State Auditor for a period of three (3) years after final payment under the Agreement, per Government Code Section 8546.7.

J. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

K. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

L. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF NATIONAL CITY

By: _____
Ron Morrison, Mayor

AMERESCO, INC.

By: 
Robert Georgeoff, Vice President

By: 
Dom Palma, Director of Project Accounting

APPROVED AS TO FORM:

Claudia Gacitua Silva
City Attorney

EXHIBIT A – Scope of Work

ARTICLE 1 PHASES OF PROJECT

1.1 Phase I – Energy Audit.

After execution of this Agreement, Ameresco will conduct an Energy Audit at the Premises. As used in this Agreement, "Energy Audit" means a process including (i) the collection of data related to the CITY's use and operation of the Premises, observations of the Premises, determination of base year energy consumption, financial analysis of the cost and benefit of energy and water conservation measures and renewable energy projects that are recommended to be installed at the Premises, and (ii) the preparation of a detailed Energy Audit Report, which analyzes current energy consumption at the Premises, recommendations for energy efficient equipment upgrades, energy conservation measures and a detailed analysis of implementation costs, anticipated energy savings resulting from such improvements and assumptions upon which the projected savings are based. The Energy Audit Report is intended to provide the CITY with the information necessary for the evaluation of the costs and benefits of proceeding with the second phase of the Project, and (iii) development of a Guaranteed Savings Solution which includes a Project scope and plan to finance 100% of upfront costs to the City (or a lower percentage if the City chooses to contribute funds towards upfront costs) and for which CONTRACTOR guarantees that annual savings will be in excess of all financing payments over a period not to exceed the lesser of (i) 20 years or (ii) a period of time equal to the average of the useful lives of the measures, and be sufficient to pay back any upfront costs contributed by the City, over the same period, not to exceed the lesser of (i) 20 years or (ii) a period of time equal to the average of the useful lives of the measures, provided Contractor executes construction.

(a) Should Ameresco determine, in its sole discretion, at any time before the completion of the Energy Audit Report that the anticipated energy and water conservation savings cannot be achieved at the Premises in compliance with the financial criteria mandated herein or by federal or state laws pertaining to energy conservation programs, Ameresco will provide written notice to the CITY and cease all further Energy Audit activities, in which case the CITY will not be charged for any Energy Audit activities performed by Ameresco.

(b) The Energy Audit will be an investment grade audit, which at minimum conforms to ASHRAE level II standards, and will include the following components:

- Collect and record electric, gas, and water usage and cost data to determine utility baseline per site.
- Survey the existing mechanical, electrical, and water systems for design, installed condition, maintenance practices, and operating methods.
- Analyze the energy and water using systems of the building, resulting from on-site observation, measurements, and engineering calculations.
- Review existing Operations and Maintenance problems and logs.

- Measure lighting and HVAC operating parameters on a spot basis or logged over a 2-3 week time period.
- List all possible modifications to equipment and operations that will save energy and water. Select those that might be considered practical by the City. Perform preliminary cost and savings estimates on practical measures.
- Develop energy and water savings based on baseline and time of use rates.
- Develop preliminary Measurement and Verification procedures for each energy and water conservation measure.
- Develop implementation costs based on the selected measures scope of work and selected measurement and verification methodology.
- Create financial grade operational cost and savings bundles to achieve different levels of whole building energy and water use reduction and financial performance.
- Incorporate measures into final energy audit including the following sections:
 - Executive Summary including list of recommended conservation measures, installation costs, projected savings, estimated rebates, and simple payback of the project.
 - Measures considered but not recommended for the project.
 - Utility Baseline Analysis including energy and water consumption and cost per site.
 - Energy and Water Rates including energy and water rate schedules.
 - Facility Descriptions including Building Construction, HVAC systems, Lighting Systems, Plug Loads, Domestic Water Systems, and Landscaping Water Systems.
 - Energy/Water Conservation Measure Descriptions including existing conditions, proposed solution, detailed scope of work, clarifications, service life, warranty, energy savings calculations.
 - Asset Sustainability Analysis including life cycle costing of the buildings.
 - Measurement and Verification Plan
 - Conclusion

(c) The Energy Audit will also include an Asset Sustainability Assessment. This assessment includes the analytical survey of the City facilities using a database model to determine the future operational costs of the buildings beyond just energy efficiency. The asset sustainability assessment reviews the conditions of many different components of the building to determine the overall life cycle costs for operating and maintaining the building infrastructure.

Ameresco utilizes a custom developed assessment tool that draws from a large database of infrastructure life expectancy and replacement costs to help develop a site specific analysis that will provide the City with information of how much the buildings will cost the City over a 20-30 year time period.

The expected duration for this assessment is 50 working days based on 15 days for site surveying, 10 days for data input and analysis, 5 days for report preparation, 5 days for internal review and editing, 10 days for customer review and comment, and 5 days for report finalization.

(d) Findings from the Energy Audit and Guaranteed Savings Solution will be delivered by CONTRACTOR to CITY in writing as well as via in-person presentations. CONTRACTOR shall present findings, at minimum, at the following milestones;

- (i) Completion of the utility analysis;
- (ii) Completion of the site surveys;
- (iii) Completion of the detailed energy project and funding sources identification;
- (iv) Review of energy project scenarios with alternative Guaranteed Savings Solutions based on the City's feedback (scenarios shall include without limitation several different energy conservation programs based on energy measures included and payback of those measures); Review Measurement and Verification (M&V) Methodology for Energy Projects
- (v) Final project identification and Guaranteed Saving Solution, including but not limited to conservation measures, financial analysis, funding sources, M&V plan, and implementation plan.

Presentations shall give CITY the opportunity to provide feedback and direction at various stages of completion. As part of the CITY's decision-making process, the CITY may provide direction to CONTRACTOR that requires CONTRACTOR to revise the proposed construction scope or financing plan or conduct further analysis. Notwithstanding the provisions of section 1.2 (b) of this Exhibit, such direction and revisions shall not increase the Energy Audit Price or result in additional charges by CONTRACTOR to CITY. The complete Energy Audit, Asset Sustainability Assessment and Guaranteed Savings Solution shall be delivered to CITY within

The expected duration of the energy audit, sustainability assessment, and guaranteed savings solution is 140 working days based on 50 days for sustainability assessment, 20 days for baseline and rate analysis, 15 days for site surveying, 5 days for facility description write ups, 15 days for preliminary conservation measure analysis, 30 days for financial grade cost and savings analysis, 5 days for M&V preparation, 15 days of data logging, 10 days of draft energy audit preparation, 5 days for City review of baseline and preliminary analysis, 5 days for City review of M&V plan, 5 days for City review of final costs and savings, 5 days for City review of draft energy audit, 10 days for final energy audit and guaranteed solution.

(e) Unless otherwise specified in this Agreement, services performed by CONTRACTOR shall be carried out in accordance with Exhibits D and E.

1.2 Energy Audit Price.

(a) The CITY shall compensate Ameresco for the Energy Audit by paying Ameresco a fee of \$70,639.17 which is based on a per square foot price of \$ 0.21 / Sqft. ("Energy Audit Price").

(b) In the event the CITY instructs Ameresco to prepare a detailed analysis of water and/or waste water treatment facilities, co-generation projects, street lighting beyond the scope provided herein, park and sports lighting beyond the scope provided herein, manufacturing or production analyses, or renewable energy projects beyond the scope provided herein, which require pre-design activities in order to determine the implementation costs for such improvements ("Special Energy Audit"), or if the CITY adds additional facilities to the scope of the Energy Audit ("Additional Work"), the CITY shall compensate Ameresco for the Special Energy Audit or Additional Work at a mutually agreed upon price, which will be reflected as an increase to the Energy Audit Price.

1.3 Phase 2 – Implementation.

(a) If the CITY decides to proceed with the design and implementation of the energy conservation measures described in the Energy Audit Report or identified as part of the Special Energy Audit, the Parties shall execute a mutually-acceptable energy services agreement (the "ESA"). If the Parties enter into an ESA which includes the scope of work in the Energy Audit Report, Ameresco will not bill the CITY for the Energy Audit Price, but will include such Energy Audit Price in the cost of the work to be performed under the ESA.

(b) In the event the CITY decides not to proceed with the implementation of the energy conservation measures or the CITY has not executed an ESA with Ameresco within a reasonable time period after receiving the Energy Audit Report and a Guaranteed Savings Solution, the CITY shall pay Ameresco the Energy Audit Price within thirty (30) calendar days from receipt of a proper invoice. Late payments shall accrue interest daily at a rate of twelve percent (12%) per annum, or the maximum interest rate permitted by law, whichever is less, for each calendar day following the due date until payment is made.

(c) The CITY acknowledges that the price for the Project is based on the market cost, as of the date of the Energy Audit Report, for steel, copper and similar raw materials incorporated into equipment and material used for the Project. Price increases for such equipment and materials after the Audit Report was issued may either result in a project price increase or a corresponding decrease in the project size.

1.4 Other Terms and Conditions.

(a) Ameresco's receipt of an executed copy of this Agreement shall serve as notification to Ameresco to proceed with the Energy Audit. Ameresco will thereafter promptly initiate the Energy Audit.

(b) Ameresco does not assume responsibility to the CITY for the anticipated energy savings projected in the Energy Audit Report if the CITY selects another firm for the design and implementation of the energy conservation measures or chooses to implement the energy conservation with its own forces.

(c) The CITY hereby agrees to provide timely and complete access to all necessary property and energy consumption cost records for the three years preceding the commencement of Ameresco's services.

EXHIBIT B**Facilities List**

Bldg.	Building Name	Building Area (sqft)	Building Address
1	Civic Center	56,934	1243 National City Blvd.
2	Martin Luther King Jr Community Center	18,900	140 E 12th St
3	Kimball Senior Center	4,976	1221 D Ave.
4	Kimball Recreation Center	5,137	148 E 12th St
5	El Toyon Recreation Center/Park	5,454	2005 E 4th St.
6	Camacho Gym, Recreation Center	17,968	1800 E 22nd St
7	Casa de Salud	7,054	1408 Harding Ave.
8	Public Library	49,000	1401 National City Blvd.
9	Police Station	46,288	1200 National City Blvd.
10	Fire Station 34	18,500	343 E 16th St.
11	Fire Station 31	5,667	2333 Euclid Ave.
12	Kimball Park Arts Center	13,000	200 E 12th ST
13	Kimball Park/Community Center/Ball park	42,000	140 E 12th St.
14	Boys and Girls Club	3,504	1430 D Ave.
15	Las Palmas Park/Rec Center/Ball Park	21,700	2101 Palm Ave.
16	Las Palmas Pool	14,095	1800 E 22nd St
17	Santa Fe Depot	6,200	860 W. 24th St.
Total sq. ft.		336,377	

EXHIBIT C

List of Energy Conservation Measures to be developed:

The energy audit will include energy and water conservation project development. The Priority Energy Conservation measures are listed below and include items that have been identified by the City as high priority replacements and upgrades. The City-identified funding associated with the Priority measures as well as any state and/or federal grants, and utility rebates may be utilized to pay for the improvements. The energy and water conservation measures are also listed below and will be developed in parallel with the Priority measures.

Priority Energy Conservation Measures

1. Casa de Salud: Heat Pump and A/C unit
2. Civic Center: Chiller Retrofits, Air System Retrofit, Lighting Upgrades
3. Fire Station 31: A/C Unit
4. Police Department: Backup Generator & Electrical
5. El Toyon Park: Park Lighting and Water Conservation
6. Kimball Park: Park Lighting and Water Conservation
7. Las Palmas Park: Park Lighting Upgrades and Irrigation Controls
8. Kimball Park Art Center: Roof Replacement

Energy and Water Conservation Measures

1. Building Sustainability Assessment
2. Renewable power at all City facilities, including but not limited to solar photovoltaics at MLK Community Center for Art Center, MLK Community Center, City Library, Police Station
3. Solar thermal systems, including review and recommendations for the current system at Las Palmas pool
4. Microgrid for Kimball Park area
5. Demand Reduction and peak load shaving
6. Energy Storage
7. Sports Lighting, park and parking lot lighting
8. Interior and Exterior Lighting Upgrades
9. HVAC Equipment Replacements
10. HVAC Controls Upgrades
11. Fleet Replacement with Hybrid, Electric or CNG
12. Bulk Fuel Purchasing
13. Electric Vehicle Charging Stations
14. Domestic Water Conservation
15. Landscape Water Conservation,
16. Storm and Rain Water Capture, Re-use and Recycling
17. PC Power Management
18. Re-commissioning
19. Energy Education
20. Other Measures Identified on Site

EXHIBIT D

Funding Sources

During the IGA process, Ameresco will explore all available funding sources. These sources include utility incentives, state and federal grants, as well as low-interest and zero-interest loans. An example of some of the funding sources that will be explored are listed below.

1. Federal and/or State Grants

During the IGA, Ameresco's dedicated structured finance division will work diligently to identify any potential federal and/or state grants that might be available for the energy conservation measures identified for the City of National City energy conservation project. Ameresco has a strong history of identifying and securing tens of millions of dollars in grants for its customers.

2. San Diego Gas and Electric (SDG&E)

SDG&E provides financial incentives for the completion of energy reduction programs. These incentive programs vary from year to year and currently include:

A. SDG&E Energy Efficiency Business Rebates

- 1) Lighting Retrofits - SDG&E currently provides rebates for installing new LED fixtures ranging from \$5/fixture up to \$125/fixture. The rebate is calculated based on the number of fixtures and is determined using a prescriptive approach.
- 2) PC Power Management – SDG&E currently provides rebates for installing computer power management software at \$15/computer.
- 3) Vending Machine Controls – SDG&E currently provides rebates for installing vending machine controls at \$100/ vending machine.
- 4) Variable Frequency Drives – SDG&E currently provides rebates for installing variable frequency drives at \$110/hp.
- 5) Window Film – SDG&E currently provides rebates for installing reflective window film at \$1.35/square foot.
- 6) Space Heating Boiler – SDG&E currently provides rebates for installing space heating boilers at \$0.25/MBtuh.
- 7) Instantaneous Water Heaters –SDG&E currently provides rebates for installing instantaneous water heaters at \$0.50 - \$2.00/MBtuh depending on the capacity of the water heater.
- 8) Pipe Insulation – SDG&E currently provides rebates for installing steam or hot water piping insulation at \$3.00 - \$4.00 per linear foot.

B. SDG&E Energy Efficiency Business Incentives

- 1) Targeted Lighting – For more advanced lighting retrofits, SDG&E provides \$0.08/kWh + \$100/kW for LED retrofits / replacements and multi-level lighting controls, such as incorporating dimming, occupancy, and scheduling with one control system.

- 2) Basic Non-Lighting – For HVAC equipment controls such as programmable thermostats and energy management systems, SDG&E provides \$0.08 / kWh and \$100 / kW for the usage and demand savings achieved.

C. On-Bill Financing

On-Bill Financing (OBF) is an energy efficiency financing program administered by San Diego Gas & Electric (SDG&E®) that offers zero-percent, unsecured financing to eligible customers for the installation of qualifying energy-efficient business improvements. Eligible equipment for OBF includes measures that qualify for incentives and/or rebates in SDG&E's energy efficiency programs. OBF only finances new energy efficiency equipment that qualifies for a rebate or incentive in an SDG&E program or an SDG&E-funded 3rd-party program.

The loan maximum per premises/location will be determined by the number of meters at the premises/location. Each government-funded customer meter may qualify for up to \$250,000 per meter and a maximum loan term of 120 months.

3. Guaranteed Energy Savings

As an integral part of its contract with the City of National City, Ameresco will guarantee the energy savings over the full term of the contract. Ameresco's guarantee provides assurance to the City that the cash inflows from the project, will exceed the City's cash requirements for the project, the lease payments if any, and, if applicable and/or desired by the City, any on-going payments for the provision of O&M services.

Ameresco's projects achieve 103 percent of all performance guarantees on a portfolio wide basis. Any energy savings that exceed the guarantee will be retained by the City of National City. The savings will not be allocated to shortfalls in other years. Savings that begin to accumulate throughout the construction period will be retained by the City as well and not counted towards future savings guarantees.

4. Financing

Ameresco has sourced and raised over \$1.4 billion in project financing from lending sources over the past 14 years, including John Hancock, Bayerische Landesbank, Bank of America, Capital One, Chase Bank, Crews and Associates and several other financial institutions. We have secured or assisted customers in securing financing for various types of utility efficiency projects ranging in size from less than \$1 million to over \$180 million. Pricing varies by size, term, credit quality and structure—from 10 to over 20 years with tax-exempt interest rates from 0 to 5 percent.

Most importantly, Ameresco will work with the City to structure a business plan that aligns with its unique goals and needs. Financing vehicles typically employed by our clients include:

- Tax-exempt lease financing
- Capital lease financing
- Installment payment financing

EXHIBIT E

The information listed below was taken from Ameresco's SOQ Sections 6 through 15.

6. Technical Approach

a. Identify/Design Measures to Meet the RFP Objectives, Work Economically, Maximize Energy Water, Emissions, & Costs Saved

Ameresco identified the following measures as potential improvement projects to reduce the City's operational expenses and greenhouse gas footprint. They were developed from the site walk visit, Energy Roadmap documentation, and from Ameresco's previous municipal project experience. The measures range from typical energy retrofits to vehicle fleet upgrades.

Table 6.0 Conservation Measure Site Matrix

ECM	Description	Public Library	Fire Station 34	Kimball Park	City Wide Buildings	City Fleet Vehicles
1	Interior Lighting Retrofits	X	X			
2	Sports Lighting Upgrades			X		
3	HVAC Occupancy Sensors		X			
4	Landscape Water Reduction			X		
5	Bulk Fuel Purchasing					X
6	Renewable Power Generation	X				
7	Peak Demand Reduction	X				
8	Vehicle Replacement Program					X
9	Irrigation Controls			X		
10	Asset Sustainability				X	
11	PC Power Management	X				

Many of the buildings were not evaluated for further energy upgrades, as it is our understanding that all of the buildings except the Public Library and Fire Station 34 were recently upgraded through an energy performance contract that was completed within the last two years. Even so, one of the measures listed above, Asset Sustainability, is recommended as a tool that will provide the City a snapshot of the life cycle and expected performance of all City buildings.

A brief description of each measure is included in the following pages of the document.

ECM1 Interior Lighting Retrofit: This measure includes replacing the existing standard efficiency T8 lighting systems with new high efficiency 25 watt T8 lamps and energy efficient ballasts. Some of the more important retrofits that should be highlighted are:

- Replacing the 7 lamp compact fluorescent fixtures located in the Fire Station 34 equipment bay with new LED fixtures
- Installing new library book stack style lighting on the 8 book stacks that do not currently have stack lighting
- Replacing the library window mounted metal halide fixtures with new LED technology
- Replacing the existing 2 lamp 2'x2' biaxial fixtures with LED fixtures
- Replacing the existing 175 and 400 watt metal halide exterior fixtures with LED technology
- Installing daylighting and occupancy sensors to comply with Title 24 regulations and reduce energy consumption



Public Library Bookshelf Lighting System

This measure includes energy rebates from SDG&E's energy efficiency business rebates program. 25 watt T8 lamps receive \$1.50/lamp, LED integral lamps receive \$5.00/lamp, interior LED fixtures receive \$70.00 - \$125.00 / fixture depending on wattage.



Sports Lighting Technology Evolution

Rebates and/or incentives for occupancy sensors and dimming controls that are required by the new 2013 Title 24 Energy Code are no longer allowable.

ECM2 Sports Lighting Upgrades: This measure replaces the light fixtures and poles located at the Kimball Park baseball field with a new energy efficient Musco Lighting System, including 6 new light poles with 4-6 fixtures per pole.

The lights come with a 25 year warranty including all parts and labor warranty from the bottom of the base to the top of the pole, Control-Link Lighting Controls System, guaranteed light level for 25 years, guaranteed kilowatt power demand for 25 years, group re-lamps at the end of the lamps rated life, 5,000 hours, and individual lamp outage replacement. The new system will require only half the number of light fixtures due to the improved reflector technology.



Kimball Park Baseball Field

ECM3 HVAC Occupancy Sensors: During the walkthrough of the Fire Station 34, Ameresco observed rooms that were empty but still had the HVAC systems in operation. Leaving the systems running wastes energy when they could be turned off and on based on occupancy. This measure will replace the existing programmable thermostats in Fire Station 34 with new occupancy sensor compatible thermostats so that the HVAC equipment will shut off when the rooms are unoccupied. The signal for occupancy will come from the new lighting sensors installed as part of ECM 1. The energy savings for this measure result from reducing the heating and cooling energy use during unoccupied periods.



Turf Replacement Area

ECM4 Landscape Water Reduction: This measure replaces the turf behind and next to the Kimball Park Recreation Center, approximately 50,000 square feet, with native landscaping, that is drought tolerant and requires little to no water to grow. The new landscaping will be installed with a drip type watering system and include time clock controllers to manage the watering schedules.

With the ongoing drought, many water agencies are offering incentives to replace turf. Included in the project is a \$2/sqft. rebate from the SoCal WaterSmart Program to help reduce the overall cost impact of the replacement.

Another option to consider for the turf replacement project would be to replace the turf behind the Recreation Center with an ornamental type landscape / hardscape enclosure that could be dedicated to different groups or individuals, such as veterans, citizens of the year, youth organizations, etc. and include city information kiosks, covered walkways, shaded meeting areas, and memorials. This type of project would require community and city staff input to make sure that the new area serves the needs of the city and the community.

ECM5 Bulk Fuel Purchasing: This measure includes the purchase of a new diesel and gasoline fuel station to allow the City to purchase fuel at bulk costs instead of retail. The City uses about 9,500 gallons of fuel per month at a total annual cost of \$400,000.

Purchasing fuel directly could save the City \$0.20 - \$0.25 cents per gallon, depending on quantity and distance from sources. Included in the project is the installation of a 10,000 gallon above ground split tank, fuel pumps, and electronic card reader.

ECM6 Renewable Power Generation: This measure proposes to install a new solar power carport at the Public Library parking lot. The solar power system capacity proposed is a 106 kW DC solar power array with a 32 degree tilt facing due south. The total generation for the year is estimated to be 160,000 kWh, which is 20% of the Public Library energy consumption.

Included in the project are all interconnection equipment needed to connect to the SDG&E utility grid. Also included is an annual 5 year incentive of \$0.114/kWh from the California Solar Initiative.

ECM7 Peak Demand Reduction: This measure involves the installation of a 60 kW battery storage system at the Public Library to reduce the demand charges for the on peak periods. The SDG&E ALTOU rate is heavily weighted to the demand charges and managing those charges is one method to reduce the costs of energy.



Battery Storage System

The battery storage system includes an automatic controller that will monitor the demand of the building and continually adjust the demand setpoint to maintain the lowest monthly total and keep the battery system charged throughout the on peak demand period.



Example Solar Carport Installed by Ameresco

The space required for the battery system is a 2' x 4' size space and can be located indoors or outdoors.

Depending on the selection of measures, this battery storage system could be integrated with the solar power generation system to create additional cost reductions as part of a local smart grid. This measure includes a \$1.62/watt rebate to help reduce the cost of the installation.

ECM8 Vehicle Replacement Program: This measure includes replacement of six City cars and eight City trucks with hybrid electric vehicles. The City cars will be replaced with new Toyota Prius vehicles that have more than double the city mileage than the current vehicles. The new Toyota Prius models are hybrid electric vehicles that will reduce the fuel consumption of the City fleet. Included in the project financials are a \$1,500/vehicle Clean Vehicle Rebate Project administered by the Center for Sustainable Energy for the California Air Resources Board.



Also included in this project is the replacement of eight City trucks with hybrid electric vehicles. The proposed replacement is an extended range electric truck by VIA Motors. The truck runs on battery power up to 40 miles and then switches to gasoline for an extended range of 400 miles.

Table 6.1 Vehicle Replacement Program – Car Mileage Summary Table

Year	Make	Model	Annual Mileage	Existing mpg-city	Proposed mpg-city
2001	Toyota	Camry	16,000	22	51
2011	Nissan	Altima	18,000	20	51
2001	Ford	Taurus	13,600	19	51
2001	Saturn	L	10,000	20	51
1995	Pontiac	G. Prix	7,500	19	51
2001	Saturn	L	10,000	20	51

Two valuable features of the truck are two power outlets, 120 volt and 240 volt, that can be used to provide emergency or toll power by using the truck engine as a generator. The power output is rated at 14.4 kW and 50 amps. This truck can serve both as transportation and as a mobile generator for City use during emergencies.

The following are the City trucks that are included in the project.

Table 6.2 Vehicle Replacement Program – Proposed Truck Replacement Table

Year	Make	Model	Annual Mileage	Annual Fuel Use
2003	Ford	F150	8,200	547
2003	Ford	F150	6,800	453
2003	Ford	F150	8,200	547
2003	Ford	F150	6,800	453
2003	Ford	F450	10,500	1,050
2003	Ford	F450	5,300	530
2003	Ford	F450	10,500	1,050
2003	Ford	F450	5,300	530

Assuming 250 work days and the annual mileage shown above, the trucks will primarily be used in the electric mode. With the extended range capability, the vehicles will still be able to pick up parks or equipment that fall within the 200 mile range.

Included in the project financials is an \$8,000 per vehicle rebate from the Hybrid Truck Voucher Incentive Project under the California Air Resources Board Air Quality Improvement Program. Ameresco assumed that the eight trucks were going to be replaced by the City, therefore, a \$39,000 per F150 contribution and a \$55,000 per F450 contribution were included in the payback analysis.

ECM9 Irrigation Controls: This measure includes the installation of a smart irrigation control system for the (4) Kimball Park baseball fields and the open grass area between each. The irrigation control system will include evapotranspiration (ET) based controllers, rain sensors, and other hardware to optimize water use. Daily water demand will be determined based upon landscape parameters such as geographical location, amount and type of grass/shrubbery, and ET rates, which are affected by rainfall, outdoor temperatures, humidity, wind, and solar radiation. Ameresco included a \$35/station rebate from the SoCal Water\$mart Program.

ECM10 Asset Sustainability: This measure includes the analytical survey of the City facilities using a database model to determine the future operational costs of the buildings. Beyond just energy efficiency, the asset sustainability assessment reviews the conditions of many different components of the building to determine the overall life cycle costs for operating and maintaining the building infrastructure. Some of the parameters analyzed are: foundations, walls, roofing, windows, wall finishes, floor finishes, plumbing, electrical, mechanical, fire alarm, landscaping, walkways, and parking lots.

Ameresco utilizes a custom developed assessment tool that draws from a large database of infrastructure life expectancy and replacement costs to help develop a site specific analysis that will provide the City with information of how much the buildings will cost the City over a 20-30 time period.

By inputting some site specific data and the age of the building, Ameresco analyzed the Public Library and Fire Station 34. The result of the analysis shows that the City will be facing significant infrastructure repair and/or replacement costs beginning in 2025. The proceeding charts demonstrate the potential costs and unfunded liability associated with the two buildings.

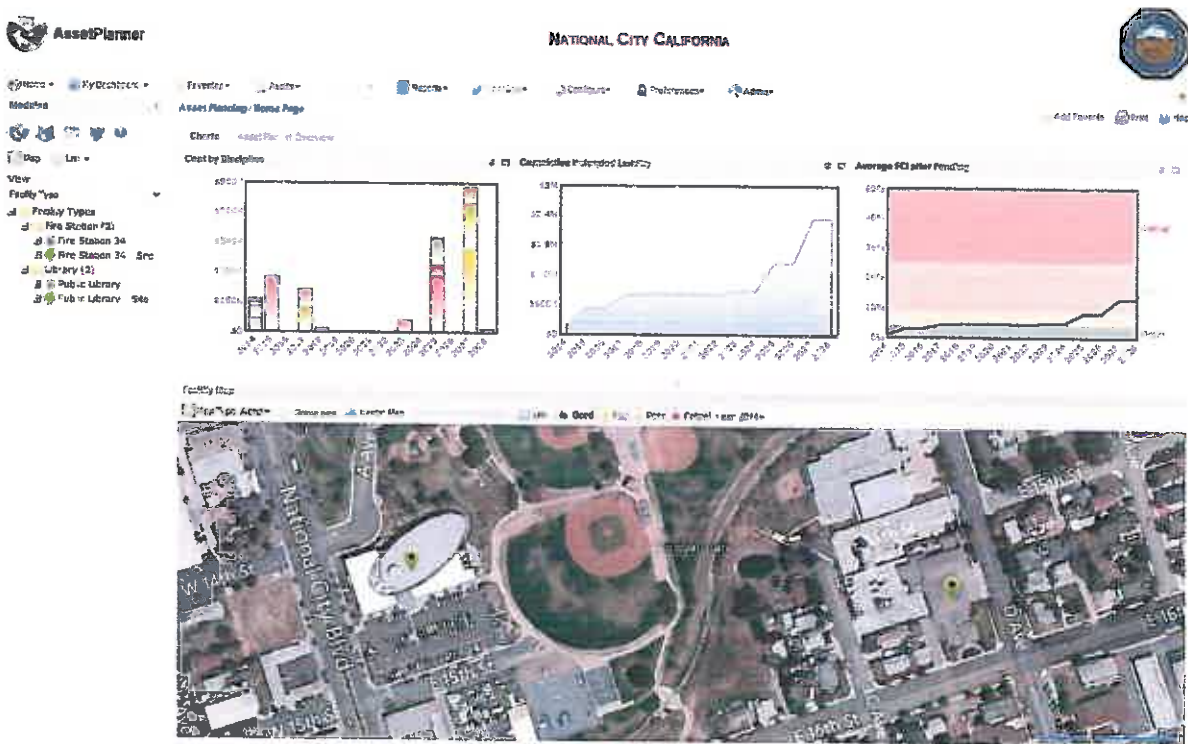


Figure 6.0 National City Asset Sustainability Dashboard

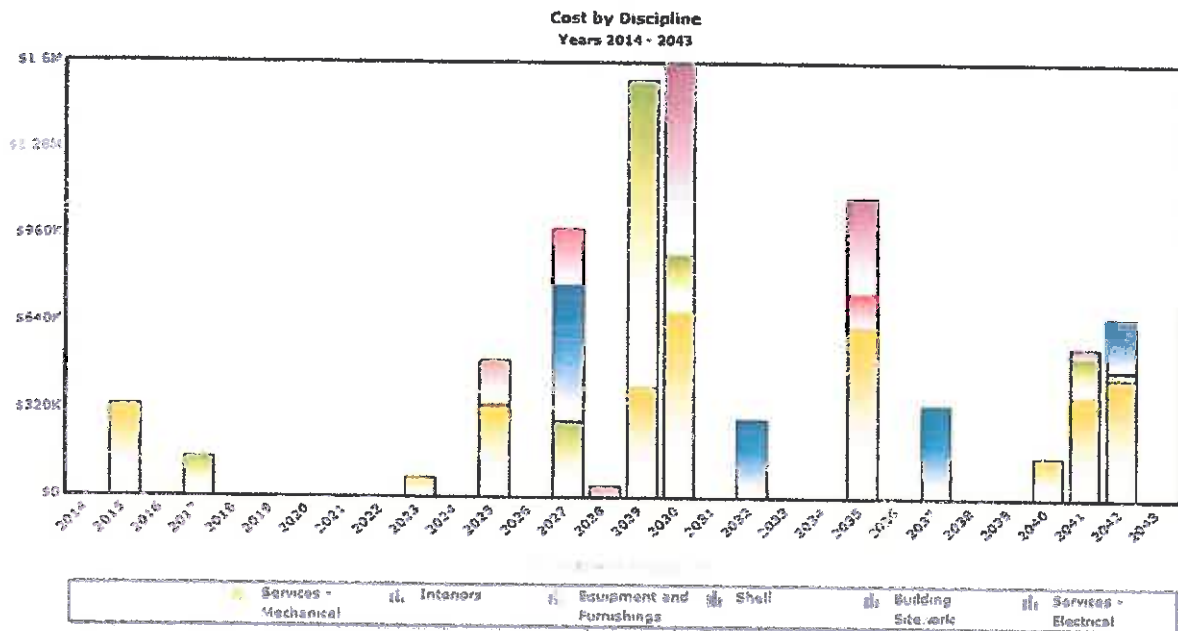


Figure 6.1 Library and Fire Station Future Replacement Costs per Discipline

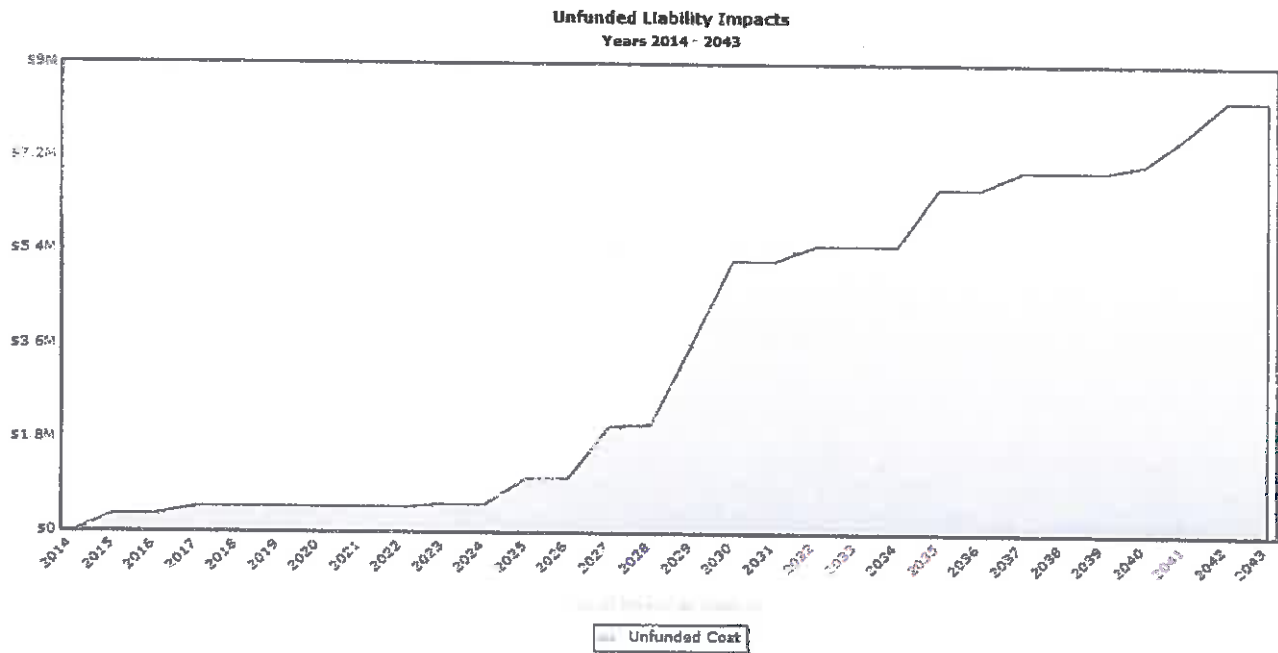


Figure 6.2 Library and Fire Station Unfunded Liability

ECM 11 PC Power Management: Reduce personal computer (PC) power consumption with the installation of software that provides network-level control over the power settings of individual units. The software will also monitor electrical savings on a daily basis to verify success. This software offers the flexibility to work seamlessly with the facility's current IT/network system, and can be incorporated with the public workstations as well as individual employee machines in administrative and management areas. This measure qualifies for an Energy Efficiency Business rebate of \$15/unit through SDG&E.

Attachment B Measures Not Included in the Project

As part of the solicitation document, there were several items listed in Attachment B that were not fully evaluated by Ameresco, primarily due to the fact that was a limited amount of time and information available. In order to provide the City with relevant information, additional time would be needed to conduct the appropriate level of in-depth design development, warranted by the

measures. Thus, all of these items should be designed in detail before being presented to the City for evaluation, most specifically the electrical upgrades, security system, and micro-grid projects.

Police Department Electrical System Assessment: Based on the documentation, the City requested an electrical system assessment of the Police Department, including surveying, metering, designing, and cost estimating a replacement system from the utility meter down to the branch circuit panel boards, including 3 days of load readings.

In order to provide the most appropriate solution, this level of design and cost estimating requires more time than was allocated for this response. Ameresco proposes providing this assessment along with the other measures following the selection process.

Civic Center Improvements: There are three HVAC units listed in the Attachment B for replacement, one condenser at the Civic Center and two 7.5 ton rooftop heat pump units at the Community Center. Ameresco suggests providing full replacement recommendations as part of the overall program to the City.

Kimball Tower Boiler Replacement: Attachment B lists many items to be included in the boiler project at Kimball Tower. Ameresco proposes evaluating this measure further to allow time for factors such as boiler sizing, pump capacity, valve locations, piping sizes, equipment access, central plant controls points lists, electrical panel locations, etc. w to be adequately considered and the best replacement option(s) to be recommended to the City.

Security Camera System throughout the City Public Facilities: In order to provide the best recommendation for "installing cameras at certain city owned facilities", Ameresco proposes meeting with appropriate City personnel to discuss the near- and long-term objectives of this measure and to fully understand the desired functionality of the security system. Significant advancements have been made in security capabilities and the wide array options available should be vetted before an appropriate recommendation and associated cost development can begin.

Micro Grid: Designing a microgrid system at Kimball Park that would connect to the surrounding City owned buildings would require significant development resources to understand the potential costs and savings associated with the small scale power generation system.

The first step in evaluating the technology would be to determine the electrical load profiles of the buildings. To provide the best recommendation, Ameresco suggests a thorough review of the 15 minute demand data, which was not included in the documentation provided by the City. The load profiles would help in determining when and how much power would be required of the generators, and would also help in selecting the best mix of technologies to use for generators. Typically natural gas, solar, fuel cells, and wind generators are the best candidates for local power generation.

The next step would be to determine the cost per kWh, including maintenance and operation, of the different types of generators and compare them to the cost of power provided by San Diego Gas & Electric. Currently the major buildings around Kimball Park are on the ALTOU rate, which breaks down its energy costs as follows:

Table 6.3 SDG&E TOU Rates Table

TOU period	Summer kWh rate	Winter kWh rate
On Peak	\$0.12/kWh	\$0.11/kWh
Semi Peak	\$0.11/kWh	\$0.09/kWh
Off Peak	\$0.08/kWh	\$0.07/kWh

Depending on the time of day and the type of technology, Ameresco would need to determine if the utility grid or the micro grid could provide cheaper power; Some small generator technologies cost between \$0.10 / kWh - \$0.18 / kWh. To provide an appropriate solution to the City, Ameresco would need to design the actual system including equipment selection, design, layouts, permitting requirements, incentive valuations, and cost estimation.

Solar Thermal Water Heating: Fire Station 34 was surveyed to determine if an opportunity for a solar hot water heating system exists. Based on the natural gas consumption data provided in the Energy Report Card, it was determined that relatively little energy was being used to heat domestic water (showers, cooking, etc.) to economically justify a new system. The report card shows that the facility uses 1,841 therms per year, with only 492 therms being used to heat water (26.7%).

b. Provide Estimates for the Total Project Size in Dollars, the Annual Savings Anticipated from Water, Electricity, Gas, and Other Sources

The following table summarizes the project costs and savings.

Table 6.4 National City Project Cost and Savings Summary Table

Measure	Name	Electric Cost Savings	Natural Gas Cost Savings	Water Cost Savings	O&M Savings	Total Cost Savings	Project Cost
1	Interior Lighting Retrofits	\$19,120	\$0	\$0	\$2,066	\$ 21,186	\$341,901
2	Sports Lighting Upgrades	\$4,386	\$0	\$0	\$1,483	\$ 5,869	\$317,638
3	HVAC Occupancy Sensors	\$1,046	\$152	\$0	\$0	\$ 1,198	\$11,930
4	Landscape Water Reduction	\$0	\$0	\$6,787	\$0	\$ 6,787	\$246,058
5	Bulk Fuel Purchasing	-\$3,532	\$0	\$0	\$22,800	\$ 19,268	\$408,942
6	Renewable Power Generation	\$18,890	\$0	\$0	\$0	\$ 18,890	\$555,867
7	Peak Demand Reduction	\$8,000	\$0	\$0	\$0	\$ 8,000	\$186,408
8	Vehicle Replacement Program	\$0	\$0	\$0	\$26,220	\$ 26,220	\$901,435
9	Irrigation Controls	\$0	\$0	\$10,657	\$0	\$ 10,657	\$80,528
10	Asset Sustainability	\$0	\$0	\$0	\$0	\$ -	\$14,070
11	PC Power Management	\$1,447	\$0	\$0	\$0	\$ 1,447	\$1,761
Total		\$49,357	\$152	\$17,444	\$52,569	\$119,522	\$3,066,538

c. Provide Estimate for the Amount of Grants, Rebates, and Incentives, and Other funding to Offset Project Costs

The following table summarizes the project rebates and incentives.

Table 6.5 National City Project Rebates and Incentives Table

Measure	Name	Rebates / Incentives / Capital Contributions
1	Interior Lighting Retrofits	\$15,837
2	Sports Lighting Upgrades	\$0
3	HVAC Occupancy Sensors	\$0
4	Landscape Water Reduction	\$100,000
5	Bulk Fuel Purchasing	\$0
6	Renewable Power Generation	\$89,627
7	Peak Demand Reduction	\$48,600
8	Vehicle Replacement Program	\$446,000
9	Irrigation Controls	\$105
10	Asset Sustainability	\$0
11	PC Power Management	\$885
Total		\$701,054

The sources of the rebates and incentives are as follows:

- **Lighting: SDG&E Energy Efficiency Business Rebates**
 - 25 watt T8 lamps = \$1.50/lamp
 - LED Integral lamps = \$5.00/lamp
 - Interior LED fixtures = \$70.00 - \$125.00 / fixture depending on wattage.
- **Landscape Water Reduction: SoCal WaterSmart Program**
 - \$2.00/square foot of turf removed
- **Renewable Power Generation; California Solar Initiative**
 - \$0.114/kWh per year for five years
- **Peak Demand Reduction: Self Generation Incentive Program**
 - \$1.62 / watt
- **Vehicle Replacement Program: California Air Resources Board Clean Vehicle Rebate Project**
 - \$1,500 / car
- **Vehicle Replacement Program: California Air Resources Board Air Quality Improvement Program**

- \$8,000 / truck – hybrid
- Irrigation Controls: So Cal Water \$mart Program
 - \$35/station
- PC Power Management: SDG&E Energy Efficiency Business Rebates
 - \$15/computer

d. Provide List of Measures Your Firm Anticipates Utilizing

The following table summarizes the list of measures.

Table 6.6 National City Conservation Measures

	Measure		Name
1	Interior Lighting Retrofits	7	Peak Demand Reduction
2	Sports Lighting Upgrades	8	Vehicle Replacement Program
3	HVAC Occupancy Sensors	9	Irrigation Controls
4	Landscape Water Reduction	10	Asset Sustainability
5	Bulk Fuel Purchasing	11	PC Power Management
6	Renewable Power Generation		

e. Provide Estimates for Size and Location of Renewable Systems your Firm Anticipates Installing

The following table summarizes the locations of renewable power systems.

Table 6.7 National City Renewable Systems Table

Location	Description
Public Library	Install a new 106.5 kW DC solar power carport. Connect solar power system to Public Library electrical distribution system.

f. Explain Your Firms Basis for b Through e

The measures included in the project were based on providing the City with the most economical and operational improvements. All of the measures require detailed analysis before determining final costs and savings, however, the estimates used in the analysis should provide the City a general idea of the scale of improvements possible at the City facilities.

From a financial perspective, the projects combined have a simple payback of 17.8 years, which could be included in a financing program such as a tax exempt lease purchase, on-bill financing, power purchase agreement, or lease-lease back. The final mix of measures and the City's willingness to finance will determine the best measures to include.

With regards to emissions reductions, the measures included in the project will cause a significant reduction to the City's carbon footprint. The electrical and natural gas measures alone will save over 320,000 lbs of CO₂. The greenhouse gas reduction from the vehicle replacement program will be over 150,000 lbs of CO₂. When combined with the electrical and natural gas amounts, the total project will save over 470,000 lbs of CO₂.

The table below summarizes the environmental impact of the electrical and natural gas measures.

Table 6.8 Emissions Reductions Summary Table

Type Of Pollution	Effect		Reduction (pound)		
	Health	Environmental	lbs kWh	lbs Therm	Pollutants (lbs)
Carbon Dioxide (CO₂)	Can cause respiratory and other health problems, particularly in children and the elderly	Climate change on a global scale has been attributed to increased emissions of carbon dioxide	1.106	11.76	324,859.68
Methane (CH₄)	Respiratory and other health problems, particularly in children and the elderly	Climate change on a global scale has been attributed to increased emissions of carbon dioxide	0.00004261	0.0023	12.89

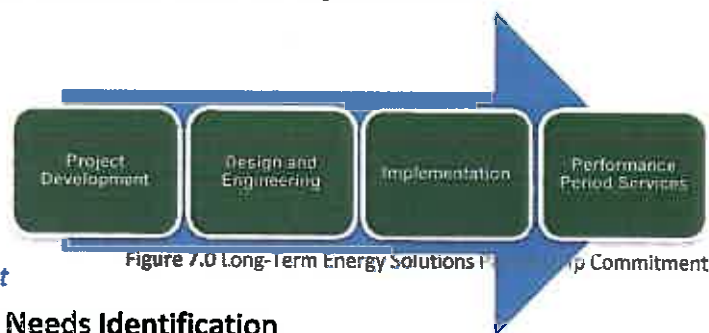
	elderly				
Nitrous Oxides (N₂O)	Respiratory and other health problems, particularly in children and the elderly	Climate change on a global scale has been attributed to increased emissions of carbon dioxide	0.000005137	0.0002	1.54
Sulfur Dioxides (SO₂)	Respiratory illness, breathing problems, may cause permanent damage to lungs	Precursor of acid rain, which can damage trees, lakes, and soil; aerosols can reduce visibility	0.000181	0.00006	52.79
Nitrogen Oxides (NO_x)	Lung damage, respiratory illness, ozone (smog) effects	Acid rain also causes buildings, statues and monuments to deteriorate.	0.000379	0.0098	112.49

The above values are equivalent to removing 44 cars from the road, planting 5,188 trees, or powering 18 typical American homes.

7. Project Approach

Ameresco's comprehensive approach to managing an ESPC is designed to ensure that we deliver the maximum value for the lowest possible cost. A key aspect of this approach is our project management philosophy. Ameresco has one of the most experienced project management teams in the country. These professionals understand that any successful energy project begins with up-front setting of expectations, planning, and organization. Our ability to inform and strengthen project development with proven infrastructure life-cycle assessments distinguishes us in the energy services sector. Our approach ensures that the City will be able to identify and prioritize the full list of potential energy conservation measures and existing necessary building and systems improvements; and that City Finance and Facilities leaders and other decision-makers will have access to information that will demonstrate future infrastructure renewal and budget requirements. In turn, this process will ensure that Ameresco delivers a targeted and cost-effective project.

Our project teams are on-site, local, empowered and encouraged to make all site-specific decisions on every aspect of project performance. Ameresco's approach to implementing an innovative ESPC partnership with our clients is a four-phase process. We will be National City's partner for the entire process and for the long term thereafter.



Phase I: Project Development

> Step 1: Customer Needs Identification

Ameresco will partner with National City's staff to coauthor customized solutions that advance the City's fiscal, environmental, and social goals and objectives. The methodologies used to determine these factors, and to identify the types and tiers of needs within the City are centered on the development of multiple streams of different, but connected data in order to fund and facilitate decision making. Our expert engineering and technical capabilities will provide comprehensive, mutually agreed upon solutions that maximize value, ensure the greatest reduction in operating costs for the lowest possible cost.

> Step 2: Infrastructure / Asset Assessment

Using existing basic building and system details the City can provide, along with data gathered in the preliminary audit and in interviews with City staff, Ameresco will develop first-stage life-cycle profiles of all specified City assets – buildings, facilities, mechanical/electrical and building automation systems, other equipment including vehicles, and linear systems such as water/wastewater piping, roadways, etc.

Details gathered in the asset assessment will provide the City with a comprehensive data set from which they can select the energy conservation and renewable measures that will provide the greatest return on investment, and those that address risks and liabilities associated with aging buildings, systems, equipment, architectural components, etc.

Prioritization via Identification of Risks and Liabilities associated with Aging Assets

- As various major building systems and components age, the remaining useful and serviceable life decreases. Capital renewal needs of the City's portfolio will be established using the life-cycle profiles developed in the asset assessment initiated in Step 1. Overall renewal needs are compared with available renewal funding to identify the City's "unfunded liability".
- Another metric our team utilizes to assess building conditions is the Facility Condition Index or FCI which helps predict the physical / infrastructure and capital risks associated with each asset. Various analyses related to funding and risk will also be used in the process.
- Based on the life-cycle profiles, unfunded liability findings, FCI ratings, and other relevant industry metrics, Ameresco will then work with the City to prioritize identified energy efficiency and general building upgrades in order develop a project that will accomplish the City's energy efficiency, renewables and environmental goals while significantly reducing the level of unfunded liability from deferred maintenance.

Our approach incorporates state-of-the-art business processes designed to manage current capital costs and predict future capital needs. In summary, in this first phase of project development, the City will be able to:

- Assess various options or strategies for phased implementation of required energy/renewable and asset/infrastructure upgrades;

- To assist National City with ongoing upgrade prioritization and facility renewal planning, Ameresco will develop an asset planning framework that reviews and optimizes the capital and operating needs by applying a series of business strategies to develop proactive and practical business plans. Using a proven life cycle management approach, the City's strategic business objectives will be clearly articulated and incorporated into the plan(s).

Ameresco engineers gather data on utility rates, historical consumption, and facilities. This information provides the foundation needed to evaluate the technological and economic feasibility of various ECMs and to provide insight into the greatest energy and cost savings opportunities. Ameresco's engineers are quickly able to evaluate the feasibility of various ECMs, based on factors including utility rate structures, existing equipment and their controls, annual operating parameters and the age and condition of the building envelope. Engineers contributing to the preliminary audit will also be assigned to the detailed Investment Grade Audit (IGA). To gain an accurate picture of existing conditions at the client's facilities, Ameresco will:

- Information gathered during the infrastructure assessments and field data acquisition is analyzed at this step and individual ECMs are specified. The savings potential of each ECM is determined and preliminary energy baselines are established.

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graph TD
    A[Outline Process  
Points of Contact/Communication Flow] --> B[M&V Methodology  
Contract Requirements  
Engineering Specifications  
Safety Requirements  
Drawing Requirements/Format  
Subcontractor Selection]
    B --> C[Analysis Methodology  
System Drawings  
Instrumentation Requirements  
Building Equipment Performance Parameters  
Building Envelope Data  
Existing Metered Data Obtained  
(Flow, temperature, load and demand)]
    C --> D[Baseline Measurements Conducted  
Subcontractor Selected  
Data Required  
Access  
M&V Methodology  
Baseline Measurements Conducted]
    D --> E[Baseline Data Reviewed  
Client's Approval on Baseline Information  
(existing parameters)]
    E --> F[M&V Methodology Finalized  
Reviewed  
Client AC approval  
Ongoing]
    F --> G[General Scope Documentation  
Client's Confirmation on Scope]
    G --> H[Construction Manager Assigned  
Site Evaluation  
Subcontract Requirements  
Schedule  
Cost Breakdown  
Design Requirements  
Equipment Performance Parameters]
  
```

Outline Process

- Points of Contact/Communication Flow

M&V Methodology

- Contract Requirements
- Engineering Specifications
- Safety Requirements
- Drawing Requirements/Format
- Subcontractor Selection

Analysis Methodology

- System Drawings
- Instrumentation Requirements
- Building Equipment Performance Parameters
- Building Envelope Data
- Existing Metered Data Obtained (Flow, temperature, load and demand)

Baseline Measurements Conducted

- Subcontractor Selected
- Data Required
- Access
- M&V Methodology
- Baseline Measurements Conducted

Baseline Data Reviewed

- Client's Approval on Baseline Information (existing parameters)

M&V Methodology Finalized

- Reviewed
- Client AC approval
- Ongoing

General Scope Documentation

- Client's Confirmation on Scope

Construction Manager Assigned

- Site Evaluation
- Subcontract Requirements
- Schedule
- Cost Breakdown
- Design Requirements
- Equipment Performance Parameters

The financial analysis will incorporate the cost and savings developed in the third step into the appropriate financial model(s) for the project. These models incorporate requests from National City and applicable interest rates and terms to produce a financial scenario that supports the required investment and debt service.

Ameresco reviews key infrastructure risk management criteria to identify and prioritize the most important renewal and replacement projects. The process provides valuable data to help City decision-makers define long-term capital planning strategies which leverage available funds to maximize project value in the long-term.

> Step 6: Investment Grade Audit

While the goal of the preliminary audit is to identify the potential opportunity and the ability to finance an ESPC, the detailed IGA serves to more firmly define the scope of work and final cost. The IGA is a much deeper dive into the costs and savings associated with the project to ensure that Ameresco has an accurate and complete understanding of all of the impacts associated with the project.

> Step 7: Permanent Financing

Once there is agreement between National City and Ameresco on the ECMs that will be included in the project, the project can then be bid out to the financing community. This will ensure that the City secures the lowest interest rate for its loan. Our finance team will work throughout the detailed IGA process to facilitate an easy transition from audit to construction with minimal lag time and disruption. Over the past 14 years, Ameresco personnel have financed a variety of ESPCs using vehicles such as:

- Tax-exempt lease financing
- Capital lease financing
- Off-balance, pay-from-savings financing
- Installment payment financing

Based on National City's needs and objectives, a selection will be made from a variety of financing options that will be supported by Ameresco's savings guarantee, insuring that payments will be made from the savings of the project. Please reference Section 11 for additional information on Ameresco's Financing Approach.

> Step 8: Contract Execution

During this step, the final detailed IGA report will be presented to National City. This report will include a detailed description of the scope of work, energy calculations, M&V protocols, financing terms and conditions, and facilities to be upgraded.

The resultant Energy Services Agreement (ESA) will ensure that the City's facilities will be upgraded, occupants' health and safety improved, and sustainability goals advanced with no up-front capital expenditure. The guaranteed energy savings will pay for the project, reduce operating costs and allow the City to allocate more of its finite resources towards other priorities.

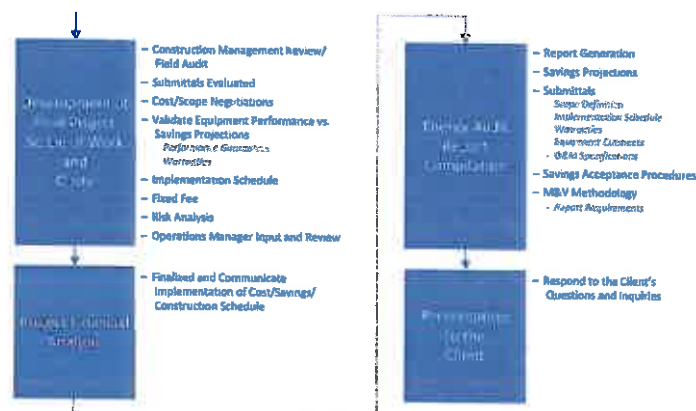


Figure 7.2 Technical Energy Audit Delivery Process Steps 6-8

Phase II: Design and Engineering

> Step 1: Detailed ECM Design

At this step, professional engineers with many years of energy industry experience will complete the conceptual designs. The Ameresco engineering team will be in charge of the design and engineering work and will ensure that any intermediate design submittals are prepared for National City's review in a timely fashion.

> Step 2: Equipment Specification

The final equipment selections, subject to the City's approval, will ensure that the guaranteed equipment performance and energy savings will be achieved and sustained for the full contract term.

> Step 3: Submittals, Construction Schedule, Client Approval

Following National City's final review and approval of submittals, the submittals will become formal project documents. The equipment and materials will be installed in accordance with these plans, drawings, schedules and specifications. All submittals are prepared by Ameresco's professional engineering staff, or reviewed in the event that consultants supplemented the firm's in-house resources. A construction schedule will also be included in the submittals.

Phase III: Implementation

> Step 1: Implementation, Customer Coordination, Pre-Construction Meetings

Once the City has reviewed and approved all of the final submittals and issued a Notice to Proceed, pre-construction meetings can be held. At these meetings, National City personnel and Ameresco's SPM will confirm all of the details needed to ensure smooth implementation of the improvements at each facility including any and all site safety, security, background checks, and badging requirements.

Ameresco's SPM will be responsible for the successful construction of the project, on schedule and within budget. Two critical roles that Ameresco's SPM fulfills are **customer service** and **quality assurance**. The SPM will ensure a smooth and well-coordinated implementation that minimizes any negative impacts on the City's personnel, educational mission, and building constituents.

As is standard practice in all Ameresco's construction efforts, the SPM reports directly to Ameresco's Director of Construction. The Director of Construction will retain ultimate responsibility for all implementation period activities. These activities include, but are not limited to, oversight of procurement and subcontracting, construction budgets and cost control, installation progress, completion, training, commissioning, project close, and ensuring a smooth transition into the long-term performance period.

> Step 2: Equipment Procurement

The procurement process begins as soon as Ameresco has received the Notice to Proceed. Any equipment and materials that Ameresco will furnish for installation will be purchased in a timely manner in order to be available for the coordinated construction efforts. Ameresco's SPM will be responsible for procurement logistics to ensure that all of the equipment and materials meet contract specifications and that procurement is accomplished in the most cost-effective manner possible. Ameresco is not bound by low-bid requirements; therefore, equipment can be acquired that provides the best value while meeting guaranteed performance levels. Competitive procurement solicitations are the favored and typical means of ensuring cost-effectiveness while maintaining best value.

> Step 3: Subcontract Solicitations/Executions

Similar to Ameresco's material procurement practice, the primary focus is on the proven track record and capabilities of the firms hired to perform work at National City facilities, whether it is installation labor only or complete turnkey service. Again, low-bid is not the deciding factor in Ameresco's selection and award process: Subcontractors are chosen based on an evaluation of their ability to add value and enhance the service provided to the City. All subcontractors must be able to accomplish the specified work on time within the budget.

Ameresco maintains detailed subcontracting procedures that help reduce the financial and legal risks associated with subcontracting. By using standard subcontracting documents, internal review and authorization procedures, holding retainage through completion (including punch-list), requiring National City's review and sign-off on subcontracted work during the construction period, and compensating our subcontractors in a timely manner, Ameresco is well-equipped to manage the inherent risks associated with subcontracting. In this manner, Ameresco assumes all of the performance and liability risks of its subcontractors; thereby, the City is sheltered from those same risks.

> Step 4: ECM Construction

As noted previously, two critical responsibilities that the SPM assumes are **quality assurance** and **customer satisfaction**. To fulfill the quality assurance responsibilities, Ameresco's SPM must ensure that equipment and materials meet the contract specifications and all work is accomplished in a timely and professional manner. To fulfill the service responsibilities, Ameresco's SPM will oversee all subcontractor and supply vendor activities to ensure minimal disruption. He will also serve as the primary point of contact throughout the implementation phase. All issues or concerns that arise will be addressed immediately and resolved to the City's satisfaction. Any support that Ameresco's SPM requires to accomplish this level of service will be readily available, and efforts can be supplemented as needed from the reservoir of talent on Ameresco's staff.

Ameresco's SPM also serves as the project safety officer and is responsible for a safe environment for all tradesmen and facility occupants. He will oversee construction-related activities to ensure compliance with all applicable OSHA, state and local codes and regulations.



When the installation of an ECM, a whole facility, or logical grouping of ECMs is completed satisfactorily, Ameresco staff and the installation contractor will commission and test the systems in accordance with the detailed plan described in the ECM write-ups in the detailed IGA. The development and design engineering staff responsible for the conception and finalization of these measures will also assist in the commissioning phase. National City's facilities and maintenance staff will be invited to the commissioning events to ensure their complete understanding of the new equipment and recently installed systems. Ameresco's operations manager will also be intimately involved in this process as part of his responsibility for long-term M&V activities.

[illegible]

Figure 7.4 Commissioning Process

> Step 1: Client Training

Training typically commences during the commissioning phase when the City's staff will be acquainted with the new equipment and systems. Training will be conducted in a classroom setting at National City facilities, and will be documented on video to ease training of newly acquired staff or provide refresher courses for veterans. The basic format includes an introduction to the overall

installation so everyone understands the benefits of the equipment and systems. Each ECM will be explained in detail, including how to operate, maintain and troubleshoot. Documentation will include review of O&M manuals, drawings, and equipment specification literature. A hands-on approach will be encouraged to ensure understanding of all presented material. The training will emphasize equipment users' essential role in energy conservation, as poorly maintained equipment will not perform as efficiently as possible.

Ameresco will make provisions with the City to conduct training sessions at remote sites if needed. Informal training can also be provided throughout the contract term and may be accomplished in conjunction with an O&M contract.

> Step 2: Long-Term Measurement and Verification, Annual Reconciliation

Long-term M&V services and annual reconciliation of performance and savings will be carried out in accordance with the site-specific M&V plan. The M&V plan presented in the proposal will be written in accordance with the International Performance Measurement and Verification Protocol (IPMVP), the industry-standard international guideline established to aid agencies in understanding M&V procedures. The M&V specialist will be instrumental in creating the M&V plans for the City's project and will finalize these plans as part of the detailed IGA process. With his responsibility for satisfactory long-term M&V and project performance, the M&V specialist will oversee the M&V of this project in conjunction with local personnel.

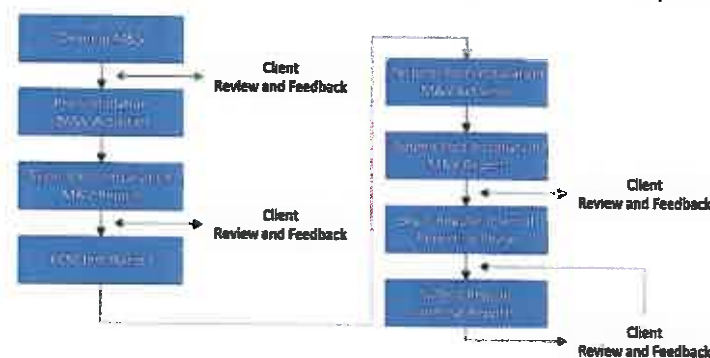


Figure 7.5 Measurement and Verification Process

Adjustments to Baseline

Variances between baseline energy consumption and post-retrofit energy consumption and its associated cost can sometimes be attributed to changes to the unit price of energy, rate schedules, weather, occupancy, building utilization, and other factors not attributable to the performance of the installed ECMs. Such changes can include, but are not limited to, the following:

- Changes in the manner or frequency of use of the facilities
- Changes in occupancy levels
- Changes in the amount of square footage served by any heating or cooling plant or other major system under this agreement
- Changes in the hours of operation of any equipment contained in the facilities
- Changes in, additions or deletions of equipment utilizing fuel being monitored under this agreement

These types of changes may require a baseline adjustment. Adjustments to the baseline are intended to account for changes that could adversely affect the ability to accurately measure savings. As paid from savings projects, any adjustments made to the baseline must be transparent and clearly documented. Typical baseline adjustments made during the audit include:

- Monthly consumption and/or cost where utility-recorded data is unreliable
- Compelling evidence of service deprivation (broken lighting fixtures, lack of hot water, etc.)
- Vacancy rates, if not indicative of post-retrofit patterns
- Areas of the development will be employed for different purposes pre- and post-retrofit

Other adjustments are occasionally required during the performance period for equipment and operational changes made at a facility. Changes that are long-term or permanent will be reflected in a change to the energy baseline. Temporary changes that affect energy use will be calculated and added to the corresponding month's savings.

A sample calculation appears below which would adjust the baseline for changes in occupancy levels

$$[\text{Adjusted baseline}] = [\text{Baseline usage}] \times ([\text{Current occupancy}] / [\text{Baseline occupancy}])$$

If the new occupancy level is 95 percent and the baseline occupancy level was 90 percent, the following formula would be used:

$$\text{Adjusted Baseline} = \text{Baseline Usage} \times (0.95 / 0.90), \text{ or } \text{Adjusted Baseline} = \text{Baseline Usage} \times 1.06$$

Adjustments of baselines must be performed during the performance period to account for heating degree days and billing days. Ameresco adjusts the weather-sensitive portion of the usage with daily weather data for each specific billing period.

The client is responsible for notifying Ameresco of material changes that affect the energy baseline as established in the final ESA. Ameresco will determine the effect that any such change will have on energy conservation savings and present a written analysis to the client of the effects of the changes. Any changes will be specifically documented in writing and mutually agreed to by the client and Ameresco prior to any adjustment that will impact the savings guarantee.

Unfortunately, it is not possible to produce a generic formula to account for every adjustment that could be encountered during the term of a project. Generally, adjustments reflect the "what if the system was operating like this in the base year" view. Therefore, it is crucial to establish the baseline conditions very clearly during the audit process in order to help identify the causes of any substandard ECM performance.

General effects of changes to baseline conditions on each of the four IPMVP options are as follows:

- **Option A** allows for the stipulation of many of the factors; therefore, minimal baseline adjustments are usually required. Consequentially, Option A can be easier and less expensive to implement.
- **Option B** involves metering techniques. Baseline performance data is not changed, but baseline-operating variables (primarily run time) can be changed by use of metered data obtained during the post-installation performance period.
- **Option C** is primarily based on a billing analysis. Unless adjustment factors are pre-defined in the M&V plan, arriving at a mutually agreed upon adjustment may be difficult. Buildings typically don't have sub metering systems that would be able to breakout the utility consumption for individual systems. Multiple adjustments may be required at one time, causing breakout of the individual adjustments to be nearly impossible.
- **Option D** is characterized by calibrated simulation, which can be easy or difficult to adjust, depending on the details of the calibrated simulation and the variables used in the calibration. If baseline adjustments are possible, no matter how unlikely, adjustment factors will be defined.

While the specific algorithms vary from measure to measure, they can all be broken down into usage pre- and post-installation of the ECM. Sometimes the baseline usage is fixed, while in other cases the baseline is calculated based on the post-installation usage, depending on the specific plan used to verify the performance of the measure. All specific protocols must be explained to and accepted by the client before project construction can begin.

Measurement & Verification

Ameresco will coauthor the development of a detailed and comprehensive M&V plan with the National City during the audit. This will include ongoing monitoring to ensure actual ongoing savings are attained. This is a critical element of the performance contract because it provides the basis for the energy savings guarantee and debt-service payment. The specific M&V plan will be submitted with the final IGA and will be included as a Schedule in the ESA. The frequency of M&V reporting—quarterly, biannually, or annually—will be at the option of the City. All specific protocols must be explained to, and accepted by, National City before project construction can begin. M&V involves two essential components:

1. Verifying the ability of the project to generate all the projected and/or guaranteed savings
2. Measuring actual, periodic performance of the project against the established baseline(s)

While there are a variety of ways to accomplish the two primary M&V tasks, a critical prerequisite is to establish the aforementioned baseline(s). These baselines are developed from a rigorously derived end-use analysis, on-site measurements and historical energy consumption data. Techniques range from stipulating all factors affecting ECM performance to installing extensive, highly accurate metering systems. When deciding the appropriate level of sophistication for a particular plan, factors such as complexity of the measure, expected magnitude of savings from the measure, and the client's aversion to risk all affect the decision. In an effort to aid agencies in gaining an understanding of M&V, the IPMVP was established.

The general approach to determining energy savings in these plans involves comparing the energy use associated with a facility or certain energy consuming systems within a facility before installation of the ECM (baseline) and after installation of the ECM (post-installation). In general:

$$\text{Energy Savings} = (\text{Baseline Energy Use}) - (\text{Post Installation Energy Use}).$$

The specific algorithms vary from measure to measure, but can all be broken down into baseline and post-installation usage. Sometimes the baseline usage is fixed, while in other cases the baseline is calculated based on the post-installation usage depending on the specific plan used to verify the performance of the measure.

The long-term success of any comprehensive energy efficiency program depends on the development of an accurate, successful M&V plan. The main objective is to develop a cost effective plan that quantifies and verifies the performance results of the ECMs. Ameresco applies industry standard M&V protocols that have been developed in response to the need for reliable and consistent measurement practices.

The following reference is used for the development of M&V procedures:

- Efficiency Valuation Organization. International Performance Measurement & Verification Protocol (IPMVP). September 2010.
- The protocols also help to allocate various risks associated with achieving energy cost savings and allowing risk reduction and better risk management. The M&V options description, provided herein, was developed by summarizing the IPMVP and contains excerpts taken from that document. The benefits of the protocols include:
 - Defining the role of verification in energy contracts and implementation
 - Discussing procedures, with varying levels of accuracy and cost, for verifying:
 - Baseline and project installation conditions
 - Long-term energy savings performance
 - Providing techniques for calculating “whole-facility” savings, individual technology savings, and stipulated savings
 - Providing procedures that are consistent, industry accepted, impartial and reliable
 - Providing procedures for the investigation and resolution of disagreements related to performance issues

The IPMVP protocols have defined four M&V options (Options A through D) that meet the needs of a wide range of performance contracts and provide suggested procedures for baseline development and post-retrofit verification. These M&V options are flexible and reflect the considerations previously mentioned.

Project Team Resumes

Brief resumes for key project team members can be found within Section 4.

8. Methodology of Determining & Guaranteeing Energy Savings

As an integral part of its contract with t National City, Ameresco will guarantee a minimum level of energy savings over the full term of the contract. Ameresco's guarantee provides assurance to the City that the cash inflows from the project, which include both energy and operational cost savings, if applicable, will exceed the City's cash requirements for the project, the lease payments and, if applicable and/or desired by the City, any on-going payments for the provision of O&M services. The City will retain actual annual energy cost savings that exceed Ameresco's guarantee.

Ameresco believes that it is in our clients' best interest to require a savings guarantee from its energy service company partner. The chief objective of an ESPC is to use future reductions to the operating budget to amortize the cost of the energy savings performance contract over the term of the financing. Without the guarantee, the City would have no recourse against the energy service company in the event of a savings shortfall.

Typically, Ameresco clients, subject to local statutes, terminate the guarantee and the associated Mi&V requirements after the third year of performance, as long as the savings have been achieved.

Any O&M savings applied to the project will be stipulated between the two parties. Ameresco will provide detailed calculations and supporting documentation for any O&M savings to National City for review and approval in the IGA. Additionally, the guarantee can be structured to cover the annual M&V and maintenance costs.

At any time during the contract term, should there be a shortfall in energy cost savings identified during the annual reconciliation and correction process; Ameresco will make a payment to the City in the full amount of the shortfall. Payments can be in the form of a check or a credit against future billings from Ameresco, National City's option.

Ameresco's guarantee language included in a standard Energy Services Agreement (ESA) is provided below.

SECTION XX: Guarantee of Energy Savings

- (a) Ameresco hereby represents and warrants to Customer that the amount of the Annual Energy Cost Savings (as defined in Attachment E) shall equal or exceed the "Guaranteed Savings" (as specified in Table 6(a) below), over the Term (the "Guarantee of Energy Savings").

Table 6(a)

Year	Guaranteed Savings
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	

For purposes of the Guarantee of Energy Savings, the following assumptions and provisions shall apply:

- (i) Calculation of the Annual Energy Cost Savings, inclusive of energy savings and operational and maintenance cost savings, shall be performed under, and governed by, the methods, formulas and procedures described in Attachment X.
- (ii) As it relates to the Annual Energy Cost Savings and the Guarantee of Energy Savings, the term "year" shall mean the consecutive 12-month month period beginning with the first day of the month following the date of the Final Delivery and Acceptance Certificate (the *Anniversary Date*), and each similar 12-month period thereafter.
- (iii) The unit prices, including the escalation thereof, to be used to calculate the Annual Energy Cost Savings for the purposes of the Guarantee of Energy Savings are described in Attachment X.
- (iv) The Guarantee of Energy Savings herein is subject to Customer performing its maintenance and other obligations under this Agreement. If Customer fails to perform, or fails to properly perform, its obligations under this Agreement or interferes with, or permits any person to take any action which, in the reasonable opinion of Ameresco, prevents the achievement of the Annual Energy Cost Savings under the Guarantee of Energy Savings, then Ameresco may equitably adjust the Annual Energy Cost Savings during the period wherein savings were affected to reflect the same. Ameresco's rights in this section shall not be in limitation of any other rights it possesses under this Agreement.
- (b) Ameresco will perform and submit to Customer a guarantee reconciliation (*Guarantee Reconciliation*) upon the later of (i) 120 days after each Anniversary Date and (ii) 60 days after Customer delivers to Ameresco all utility billing and other data necessary for Ameresco's completion of the Guarantee Reconciliation. The Guarantee Reconciliation will include a calculation of the cumulative Annual Energy Cost Savings achieved in relation to the cumulative Guaranteed Savings for the period being reconciled.
- (c) Ameresco hereby guarantees that if the cumulative Annual Energy Cost Savings realized by Customer as of any Anniversary Date, as detailed in the Guarantee Reconciliation, is less than the cumulative Guaranteed Savings as of such Anniversary Date, then Ameresco will pay to Customer that amount by which the cumulative Guaranteed Savings exceeds the cumulative Annual Energy Cost Savings, such payment to be made within

60 days after the date of the Guarantee Reconciliation. Any such payments made by Ameresco shall be included in the cumulative Annual Energy Cost Savings total for purposes of future Guarantee Reconciliation calculations.

- Ameresco follows the IPMVP guidelines as specified in detail in Section 7.

9. Performance Capabilities

As an integral part of its contracts, Ameresco will guarantee a minimum level of energy and water savings over the full term of the contract. These provisions guarantee that the cash inflows from the project (e.g., energy and operational cost savings [as applicable] and utility rebates) will exceed any cash requirements, lease payments, and the cost of any operations and maintenance services required. National City will retain actual annual energy cost savings that exceed Ameresco's guarantee. In this way, Ameresco's clients are assured that a performance contract with Ameresco will reduce utility costs; improve infrastructure; and enhance the safety, comfort, and health of facility occupants without a capital expenditure.

All of Ameresco's performance contracts include long-term assurances which guarantee that the project will achieve or exceed the levels of projected savings. In fact, projects with Ameresco typically achieve 103 percent of our guarantees. From our inception through December 31, 2013, total payment to clients and incurred costs under our energy reduction commitments have been less than 0.5 percent of the guaranteed annual savings for all contracts with savings guarantees.

Ameresco's savings guarantees are conducted in accordance with the IPMVP, which established industry-leading practices performance verification. Ameresco assures that National City will receive the savings guarantees and achieve similar levels of projects savings that all of our clients have come to expect throughout our 14 plus years in the industry.

With 2013 revenues of over \$574 million and a construction backlog exceeding \$1.35 billion, Ameresco is one of the largest independent energy services companies in United States. We maintain a \$1.4 billion surety credit facility through two corporate providers, both with an AM Best Rating of "A Excellent." Using its significant resources, Ameresco has the financial fortitude to be a long-term partner with National City, ensuring a successful development execution, project implementation, and operations. Please reference Appendix A for Ameresco's 2013 Audited Financial Statement, which includes financial information for the previous three years.

10. Time Specified in the Qualifications for the Performance of the Contract

Ameresco has carefully reviewed the requirement for National City's Energy Services Contract for Sustainability Improvement to City Facilities and is confident that we can perform the audit of the identified National City facilities within City's anticipated timeframe of four months after the date of issuance of the letter of intent.

11. Financing Approach

Ameresco has sourced and raised more than \$1.5 billion of project financing over the past 14 years from various lending sources including John Hancock, Bayerische Landesbank, Bank of America, Capital One, Chase Bank, Crews and Associates, Union Bank, Green Campus Partners and several other financial institutions. Using existing cash resources, cash flows from Ameresco's operating activities, and access to credit through multiple lending relationships, Ameresco has the resources necessary to develop, implement, and finance clients' energy projects of nearly any size or scope. We have secured or assisted clients in securing financing for various types of utility efficiency projects ranging in size from less than \$1 million to over \$180 million. Pricing varies by size, term, credit quality and structure—from 10 to over 20 years with tax-exempt interest rates from 0.0 to 5.0 percent.

The structured finance group is highly engaged in the financial markets and continuously strengthens its relationships with lenders. Through these relationships, the team is able to provide an independent and transparent bidding process to determine the right financing partner on all types of projects. We work with lenders that provide interest rate locks, low interest rates, and have a high level of understanding of energy conservation and renewable energy projects.

Ameresco maintains a commercial banking relationship with Bank of America. John Lynch, Senior Vice President manages Ameresco's relationship. Ameresco has a \$100 million revolving credit facility with Bank of America. Contact information is as follows:

Bank of America

C/O: John Lynch, Senior Vice President
100 Federal Street, Boston, MA 02110
P: 617.434.7760

Additional lenders with whom Ameresco has established relationships with include:

Capital One

C/O: Jeff Sharp
11663 South Parkwood Drive
Olathe, KS 66061
P: 877.890.8509

Crews and Associates, Inc.

C/O: Edmond Hurst
521 President Clinton Avenue, Suite 800
Little Rock, AR 72201
P: 510.978.7941

Green Campus Partners

C/O: Neal Skiver
215 Lincoln Avenue
Santa Fe, NM 87501
P: 732.917.2311

SunTrust Leasing Corporation

C/O: Doug Dillon
300 East Joppa Road, Suite 700
Towson, MD 21286
P: 410.307.6640

Zions Bank Corporation

C/O: Alan Westenskow
One South Main Street, 18th Floor
Salt Lake City, UT 84133-1109
P: 801. 844.7377

Ameresco is dedicated to working with public utilities; local, state, and federal agencies; and other pertinent organizations to keep abreast of the latest incentive program offerings and guidelines to help maximize the amount of additional funding clients can expect to receive. The financial team will work closely with project developers to ensure the final solution meets all incentive requirements from state and federal sources.

Specific steps taken to secure and utilize rebates include the following:

- Assemble the production-based or prescriptive incentive applications,
- Submit those applications to the pertinent agency on behalf of National City
- Follow-through with any required reporting and analysis necessary to secure all available rebates, including the processing of rebate-related documents during system installation and commissioning
- Provision of on-going monitoring and verification services and required documentation in order to access rebate funds earmarked for the relevant project

All of the members of the project team have experience working with the utility companies throughout California to secure rebates for projects. This experience includes completing rebate applications, conducting pre and post construction site visits with inspectors, and responding to inquiries from utility company staff regarding savings calculations. Table 11.0 includes an overview of grants secured by members of the project team on behalf of their California clients.

Table 11.0 Representative List of Grants and Rebate Experience for California Clients

Client	Funding Type	Amount
San Francisco Housing Authority	ARRA	\$ 11,700,000
Santa Clara, City of, Forward Power	State of CA	\$ 196,028
Santa Clara, City of, Vasco Road Power	State of CA	\$ 160,882
Salinas Valley Solid Waste Authority, Johnson Canyon Power	State of CA	\$ 67,434
San Joaquin County, Foothill Power	State of CA	\$ 151,667
Butte County Neal Road Waste	State of CA	\$ 95,529
Chula Vista Elementary School District, CA	QZAB (2)	\$ 17,000,000
	Utility Rebates	\$ 500,00
Sweetwater Union High School District, CA	Utility Rebates	\$ 800,000
South Bay Union School District, CA	Utility Rebates	\$ 300,000
National School District, CA	Utility Rebates	\$ 250,000
Fullerton School District, CA	QZAB	\$ 2,500,000
	Utility Rebates	\$ 500,000
Bakersfield City School District, CA	Utility Rebates	\$ 300,000
Washington Unified School District, CA	QSCB	\$ 3,600,000
	Utility Rebates	\$ 200,000

Please note that these projects were contracted under Innovative Energy Services, Inc. whose entire team joined Ameresco in January 2013

Notes:

ARRA	=	American Recovery and Reinvestment Act
EECBG	=	Energy Efficiency and Conservation Block Grant
State of CA	=	Sales Tax Exemption under SB71
QSCB	=	Qualified School Construction Bond
QZAB	=	Qualified Zone Academy Bond

Ameresco was one of the first energy services companies in the nation to successfully integrate American Recovery and Reinvestment Act (ARRA) funds in the form of federal Energy Efficiency and Conservation Block Grants (EECBG), Clean Renewable Energy Bonds (CREBs), Recovery Zone Economic Development Bonds (RZEDBs), Qualified Energy Conservation Bonds (QECBs) and utility rebates to create a fully self-funding project for the City of Reno, Nevada.

Ameresco has successfully secured \$52 million in solar incentives on behalf of Arizona State University from the two local public utilities. In fact, the ASU Polytechnic Campus 598 kW-DC ground mount array alone received an incentive award totaling \$2,902,321 over the 20-year lifespan of the system.

Combined, Ameresco, its antecedent companies, and the IES team members have been assisting clients in securing low interest financing for energy projects for nearly three decades. This funding assistance and oversight is managed and allocated by the California Energy Commission and often assists our clients in securing funding for energy conservation and efficiency projects.

12. Methods Proposed to Accomplish the Work

a. Capabilities for Developing and Innovative/Advanced Techniques for Project Delivery

The Ameresco Asset Sustainability tool helps clients develop strategies to manage the funding gaps associated with aging infrastructure. Asset Sustainability reviews key risk management criteria to identify and prioritize the most important renewal and replacement projects. The program provides valuable data to help decision-makers define long-term capital planning strategies which leverage available funds to maximize project value in the long-term.

Our approach incorporates state-of-the-art business processes designed to manage current capital costs and predict the future capital needs for multi-facility public and private property owners, including municipalities, K-12 schools, institutions of higher education, public housing, healthcare, hospitality, property management, condominiums and commercial clients. In summary, the tool:

- Helps establish clear and defensible infrastructure needs
- Defines practical strategies directly applicable to a multi-site property owners needs
- Allows a comprehensive assessment of the phased implementation of various options or strategies

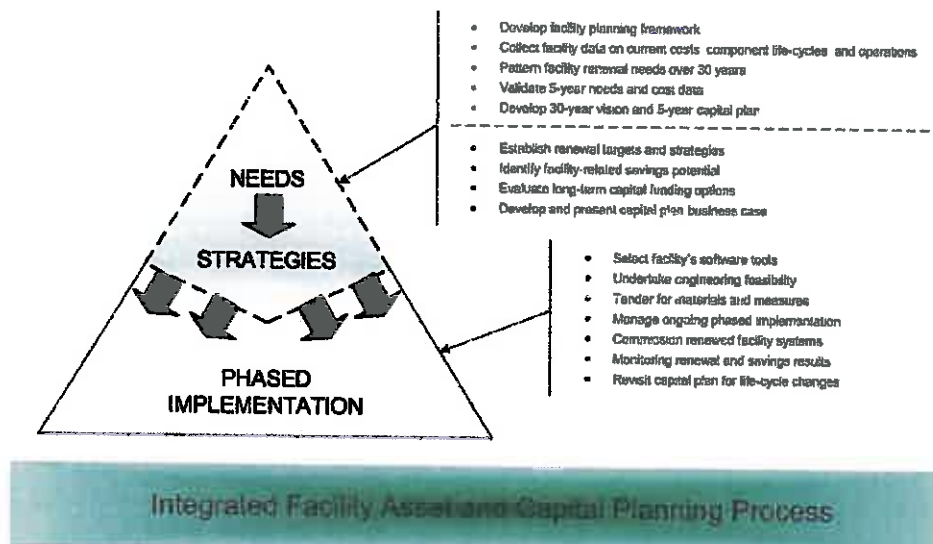


Figure 12.0 Asset Planning Process

b. Managerial Approach to Ensuring High Quality Service

Our quality assurance policy states that, "Ameresco will attain 100 percent customer satisfaction by providing value-added innovative solutions that perform to their requirements every time." Thus, quality is a core goal to be addressed in an ongoing manner instead of simply addressed at the completion of a project.

To ensure that the newly installed measures are fully functional and operating to the City's satisfaction by any deadlines developed at the inception of the project, Ameresco's SPM will collaborate with the City's staff to define and mutually agree upon construction milestones. These milestones will both meet the needs of the City and ensure timely project completion. Because client satisfaction is Ameresco's primary goal, it is the responsibility of every staff member and subcontractor to deliver a quality product.

Throughout the construction phase and before the date of substantial completion, the SPM will require a City representative to formally sign-off on the work completed before the next phase of work can continue. If an issue is discovered, the project manager and Ameresco's leadership team will work together to identify the root cause, analyze the consequences, and establish guidelines or other risk mitigation measures, to ensure that a similar problem does not reoccur. It is Ameresco's responsibility to work with the contracting entity to determine how the issue will be resolved. It will be addressed immediately to mitigate project delays and avoid additional complications.

Ameresco's Quality Assurance Plan has the following core components:

- **Client Satisfaction Teams:** These teams are composed of a branch or department manager and select staff members. The teams' primary objective is to keep each operating unit focused on providing systems and services that result in 100 percent customer satisfaction.
- **Quality Awareness and Communication:** Special efforts are expended on an ongoing basis to keep the quality assurance plan in the forefront in all client relationships. Because we define quality improvement as a process as opposed to a program, associated activities are a continuous part of Ameresco's everyday operation philosophy.

- **Requirements:** A key element of successful project is to clearly understand the client, as well as their goals, challenges, and objectives. As a company, we work to develop long-term trust relationships with individual clients as we service their needs. Only through close, constant contact with our clients can we understand their changing requirements and exceed performance expectations.
- **Measurement:** By measurement, we track our ability to meet the unique needs of our clients. Measurements make the quality process real as opposed to simply a philosophy.
- **Corrective Action:** Corrective action is a systematic method of identifying problems and addressing their causes. Our client satisfaction teams take corrective action by identifying the root of an issue and establishing measures to ensure that the particular problem will not reoccur. Clients are often requested to be members of a corrective action team to help define the solution and resolve the issue.
- **Recognition:** We formalize our appreciation of those Ameresco staff members who contribute to client satisfaction. We have several channels through which we recognize employees who deliver exemplary service to our clients.

Clients who select Ameresco as their energy partner can be certain they are dealing with a company who recognizes the importance of delivering high-quality products, systems, and services. Our experience has taught us that the long-term success of any project or relationship requires adherence to the quality process as a number-one priority and must be recognized as such at all levels in the organization. All Ameresco projects regardless of size or scope receive the same level quality and dedication.

c. Methods Proposed to Ensure On-Time & Within Budget Project Delivery

Ameresco's projects are specifically designed from inception through the term of the contract to mitigate client risk. In fact, with established performance assurances back by long-term financial solvency and longevity, clients are inherently sheltered from the risks that are often associated with capital improvement projects. Additional risk mitigation strategies include:

- Industry-leading commitment to safety
- Proven methodologies for subcontractor selection and management to ensure subcontractors perform to the same level of quality and accountability as direct Ameresco employees
- Project scheduling designed to minimize any interruptions to normal business operations

These strategies are supported by a **Quality Assurance Plan** established to recognize, understand, and rectify any issues of concern that arise during the contract term.

Ameresco's custom approach to system design and engineering extends beyond project development and through the implementation phase. The vast majority of our energy projects have been constructed on active, publically-managed spaces utilized by members of the public, including municipalities, educational institutions, and the federal government. We work in close collaboration with our clients to ensure construction does not interfere with a site's normal operational needs while maintaining a safe and secure environment for the public.

The Ameresco team will work in close coordination with National City's staff to understand the facilities' operational requirements so that the project can be implemented in a way which mitigates any potential impacts to daily operations. Once the project has been designed and operational requirements identified, implementation tasks will be entered into Microsoft® Project software to develop a project schedule. Microsoft Project will convey the total project timeline, estimating the manpower loading, and ensure that there are no overlapping critical activities that will affect the implementation schedule.

Following final approval by Ameresco and the City, the timeline will be used diligently by the field staff to track construction progress. The project schedule will be a living document and will be constantly updated throughout the life of the project. Any changes to the project schedule will be communicated immediately to the City's staff in the manner most useful to the individual client, such as via email, hard copy, phone, or in-person.

System delivery will be overseen by the SPM who will manage all aspects of the project's implementation. This dedicated, in-house staff member will serve as the single point of contact during construction, including equipment procurement, and subcontractor selection and management. He or she is responsible for ensuring that both direct Ameresco employees and subcontracts achieve established project milestones safely, efficiently, and in accordance with design specifications.

During the construction phase, the SPM will conduct weekly construction meetings with subcontractors and City staff to monitor progress and review a two week "look ahead" construction schedule. Additionally, Ameresco will assist in the notification of site staff members, administrators, and the public, as applicable, in advance of the upcoming work to minimize and avoid any impacts to normal facility operation.

Nearly all of Ameresco's clients are those in the public sector and are located in publicly occupied facilities where specific coordination is required with the client, local utilities, subcontractors, equipment suppliers, and facility personnel to best accommodate the needs of its staff and visitors and cause minimal, if any, disruption. In many cases, major project installations are scheduled on

weekends and holidays when educational facilities are typically not in use. Recent project examples where Ameresco successfully overcame challenging installation requirements include:

- **Maricopa County's** \$30.2 million performance contract included upgrades to secure justice facilities (including correctional facilities and the courthouse) in and around Phoenix, Arizona, including the installation of 1.27 MW of solar PV at three sites and 120,727 therms of solar thermal at seven correctional facilities. Ameresco closely coordinated with County staff throughout all phases of the project, including grid interconnection, to ensure that in the projects were installed while maintaining a safe and secure environment. Through an effective and well-coordinated communications strategy, construction was completed on-time without any interruptions to the County's daily operations.
- **Lake Havasu City** required extensive coordination between the client and Ameresco in order to achieve project milestones without interruption to the City's daily business operations; in particular, City Hall, the Police Department, and Aquatics Center are areas of high public traffic. Construction managers established goals on a two week look-ahead basis, and met with City and site-specific administrators on a weekly basis to understand each site's requirements so that daily milestones could be shifted accordingly. Installation contractors often worked ten to twelve hour days to ensure goals were completed in accordance with the mutually-agreed-upon schedule. Work was conducted over weekends, holidays, and other breaks while the facilities were closed to the public.
- **The City of Henderson Justice Facility** (ESPC Phase I) project included three boiler change outs during the winter with no adverse effect on building heating requirements for jail cells, judge's chambers or clerk offices, and with no occupant complaint.

13. Financing Management & Account System

Performance contracts are invoiced monthly on a percent complete basis. Each month, the Senior Project Manager (SPM) provides a project update to Accounting Department. The client is then invoiced based on a pre-approved Schedule of Values. Please reference Figure 13.0 for a process map of Ameresco's invoicing procedures.



Figure 13.0 Invoicing Procedures Process Map

Invoices are provided electronically via email or by hard copy. Upon client request and when geographically appropriate, invoices can be provided in-person. Ameresco's standard payment terms are net 30 days.

Ameresco's SPMs strictly comply with the procedures provided. Ameresco maintains regular communication with all clients, and will rapidly address any procedural issues that may arise if the established invoicing procedures do not meet the needs, requirements, or preferences of the client.

As a turnkey energy services provider, Ameresco's only business is working with clients to continually lower operating costs through supply- and demand-side solutions. We offer the technical expertise, as well as the dedication required to develop and institute a holistic program that targets the conservation of all major utilities and equipment. Ameresco's only business is resource conservation, generation, and management, including energy and water conservation measures, renewable energy solutions, and energy information systems, coupled with the financial expertise to identify creative funding solutions to meet each client's unique budgetary, administrative, regulatory, or other requirements.

We offer experience and knowledge of the a broad portfolio of opportunities that support fiscal responsibility; renew asset infrastructure; reduce facilities' environmental impacts; and provide a healthier, more comfortable, and safer environment for our clients and their staff, administration, and other constituents. Our ability to impact long-term savings is driven by a combination of installed supply- and demand-side energy solutions, as well as a focus on the long-term ability of the equipment and systems to continue to generate savings over time.

Ameresco's financial management and accounting system will operate in compliance with Parts 16.301-3, 18, and 31 of Title 48 of the CFR.

14. Competitive Procurement, Open Book Pricing & Overhead

a. Process for Obtaining Competitive Subcontractor Bids, Selecting Subcontractors, and Assuring Competitive Pricing

Ameresco will establish subcontractor alliances for the City on a case-by-case basis for the installation portion of the project, as we do for virtually all of our clients. This process keeps us vendor neutral and ensures that we are able to meet the financial, operational, D/M/WBE utilization, and other goals identified by the City.

Ameresco casts a wide net to national and local suppliers and contractors for all goods and services, and works directly with several major manufacturers. Ameresco will confer with the City to select preferred vendors, and pricing will be compared with what the City is accustomed to paying for all goods and services similar to those required by this project.

Construction scope is typically put out for preliminary quotation during the IGA using conceptual design schematics, unit counts, equipment preferences, and other details developed for the audit report. These quotations are compared with other similar Ameresco municipal installations and applied to the pricing contained in the IGA. After the Energy Services Agreement (ESA) is executed, designs are developed and quotations are again solicited on the refined scope of work.

Ameresco typically solicits a minimum of three contractor quotations on all measures, in an effort to assure that the client receives the best goods and services are delivered for the lowest price. An additional key benefit of Ameresco's independent position in this marketplace is that we have no pull-through product or service goals. Our only product is performance contracting, and we have no larger manufacturing or service-providing corporation influencing our offering. Technology and products are recommended based on their ability to best meet the needs of our clients for the lowest possible cost.

Ameresco's success depends upon timely, professional quality workmanship performed by qualified subcontractors who are proficient in the specific technologies required to implement the project scope. As it is with price and technical proficiency, a premium is placed on the ability of the contractor to work cooperatively in a non-disruptive fashion within occupied municipal facilities. To this end, it is generally beneficial to engage local subcontractors who have a proven track record of success in City facilities, and an established relationship with the facility personnel. *Ameresco will look favorably to contractors that have had positive experience with the City.*

When Ameresco uses a subcontractor to perform a service required by the contract or to provide materials and supplies for use on the contract, we insist that the subcontractor perform to the same standards and meet the same requirements that we are required to meet. The use of subcontractors to accomplish elements of this contract will be transparent to the City. If a quality issue arises, we will resolve it as if the cause existed within the Ameresco organization. Each agreement will contain the same flow-down clauses and include all requirements that are part of the contract between Ameresco and the National City, as well as the additional terms and conditions provided by the City.

Ameresco will inspect all goods delivered and services performed. If so desired or as necessary, Ameresco or the City's staff may require inspection of any vendor's operation.

Determining Responsive, Responsible Bidders

Ameresco understands that the use of local subcontractors is expected and paramount to this project, and we will make it our goal to meet and exceed those expectations, as we did for the City of Reno where we utilized 93 percent local labor.

Responsible bidder shall:

- Provide sufficient financial resources to complete the order
- Meet quoted delivery considering all other business commitments
- Provide satisfactory integrity and record of performance and safety
- Comply with all terms and conditions not individually waived
- Have the necessary production and technical equipment and facilities (or the ability to obtain them)
- Have the necessary organization experience, operational controls and technical skills (or ability to readily obtain them)
- Be an authorized distributor or vendor for the requirement
- Be otherwise qualified and eligible to receive an award under applicable laws and regulations and accepted procurement practice
- Submit a bid within a competitive range

Responsive bidder shall:

- Meet all requirements of the solicitation (delivery, quality, quantity and price)
- Compete in the market for the furnishing of the items to be procured as a normal course of business
- Arrive at the price independently
- Provide methods for selection and evaluation of subcontractors

When subcontracting is used, Ameresco will:

- Define the scope of work

- Prepare a recommended slate of qualified vendors
- Seek bids from approved offers
- Review bids or offers for compliance and cost
- Conduct a pre-award survey, if necessary, to confirm capability
- Provide a recommendation for award to the City for review and approval
- Award the subcontract

Plan to Attract DBE Subcontractors

Ameresco's Small Business Utilization Plan describes how the Ameresco team will identify and notify D/M/WBE firms about opportunities to participate in the City of National City project. Our Plan includes:

- Hosting D/M/WBE Contractor Outreach Events offering the M/WBE contracting community opportunities to meet Ameresco's decision makers and learn first-hand about the project and contracting opportunities;
- Establishing and maintaining communications and relationships with business and trade organizations that have member constituents able to supply professional services, contracts and supplies.;
- Identifying qualified D/M/WBEs for the project through research by NIGPS and NAICS Codes of public databases operated by federal, state, and local governments, state transportation departments as well as national organizations that are certifying authorities
- Collecting, tracking and monitoring D/M/WBE expenditures from all higher-tier contractors on a monthly basis
- Collecting, tracking and monitoring D/M/WBE expenditures from subcontractors with contract values totaling five thousand dollars (\$5,000) or more on a monthly basis
- Reporting D/M/WBE contract award and expenditure participation in a timely and accurate manner, monthly and/or in real-time as requests are received

b. Commitment/Experience with Open-Book Pricing

Ameresco has performed a large number of projects on an "open book" cost basis. We will request proposals from multiple subcontractors and equipment vendors to ensure that National City receives the best value for each project dollar and will present the proposals to the City for review. Ameresco's fees will be determined as a percentage of these direct project costs. All subcontracts, design, engineering, project management and finance costs will be disclosed during the final program development phase. Ameresco has found that this process fosters the development of an open, communicative relationship that serves as a foundation for a long-term partnership.

This same open book, cost plus approach is currently being implementing at a number of projects for municipalities, correctional facilities, school districts, and institutions of higher education throughout the U.S. For example, Ameresco is an awardee under several of the U.S. Department of Energy Regional "Super ESPC" contracts, including the U.S. Army Corps of Engineers in Huntsville, Alabama and the U.S. Department of Army Medical Command. As part of both selection processes, Ameresco agreed to a not-to-exceed mark-up on typical energy conservation measures.

c. Overhead Rate

Ameresco will apply markups listed to all projects implemented. Ameresco proposes that all project related costs incurred by Ameresco shall be applied a markup in order to recover overhead and recognize profit.

Table 14.0 Mark-up on Projects

Category	Percent Markup and Fees
Overhead	Typically range between 9 - 12% of Direct Project Costs. (These costs vary with the size and complexity of the project.)
Profit	Typically 6%

15. Exceptions to this Request for Statement of Qualifications

Ameresco takes no exceptions to this Request for Statement of Qualifications.

RESOLUTION NO. 2015 –

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH AMERESCO, INC.,
TO CONDUCT AN ENERGY AUDIT OF CITY FACILITIES (PHASE I), DEVELOP
A PROJECT SCOPE OF ENERGY AND WATER SAVING MEASURES TO FUND
CAPITAL COSTS, FORECAST SAVINGS, AND PRESENT A FINANCING SOLUTION

WHEREAS, on June 3, 2014, in accordance with the City's Energy Roadmap and Climate Action Plan, the City Council directed staff to solicit proposals pursuant to California Government Code 4217, to design, install, and finance sustainability improvements within municipal facilities; and

WHEREAS, in July 2014, the Engineering and Public Works Department advertised a Request for Statement of Qualifications ("SOQ") for an energy services contract to make sustainability improvements to City facilities under a guaranteed energy savings contract that would provide energy-related capital improvement services through performance-based contracting; and

WHEREAS, these services would include design, installation, maintenance, and monitoring of energy and water saving upgrades at City facilities with a guarantee that monetary savings will cover the cost of the upgrades; and

WHEREAS, of the two responses received, Ameresco Inc., received the highest overall rating from a five-member selection committee; and

WHEREAS, the City desires to enter into an Energy Audit Agreement (Phase 1) with Ameresco to conduct an Energy Audit of City facilities, develop a project scope of energy and water saving measures, forecast savings, present a financing solution, and offer a guarantee that cost savings will cover project costs; and

WHEREAS, in the event Ameresco is unable to identify enough savings to cover the project costs, they will notify the City and cease activities under this contract at no charge to the City.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the Mayor to execute an Energy Audit Agreement (Phase 1) with Ameresco to conduct an Energy Audit of City facilities, develop a project scope of energy and water saving measures, forecast savings, present a financing solution, and offer a guarantee that cost savings will cover project costs.

PASSED and ADOPTED this 15th day of December, 2015.

Ron Morrison, Mayor

ATTEST:

APPROVED AS TO FORM:

Michael R. Dalla, City Clerk

Claudia Gacitua Silva
City Attorney

The following page(s) contain the backup material for Agenda Item: Request for City Council direction on scope of work and schedule for Alley Improvement Project.
(Engineering/Public Works)

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. _____

ITEM TITLE:

Request for City Council direction on scope of work and schedule for Alley Improvement Project.

PREPARED BY: Jose Lopez, Civil Engineering Tech

DEPARTMENT: Engineering/Public Works

PHONE: Ext. 4312

APPROVED BY: _____



EXPLANATION:

See attached.

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

N/A

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Provide direction on scope of work and schedule for Alley Improvement Project.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Explanation
2. Supporting documents (location map, photos, cost estimates)

Explanation

This past year, using funding from a variety of transportation grants and local *TransNet* allocations, the City was able to complete approximately 3 miles of street resurfacing and/or slurry seal, including removal and replacement of sidewalk and pedestrian curb ramps for ADA compliance. While transportation grants continue to serve as a primary source of funding for infrastructure improvements along major transportation corridors, funding options for alley improvements remain limited.

As part of the FY 2016 CIP budget adoption, City Council approved \$400,000 from the General Fund for projects involving street resurfacing, slurry seal, alley improvements, sidewalks, curb and gutter, and/or Americans with Disabilities Act (ADA) compliance. Based on the amount of roadway improvements completed and the lack of funding available for alleys, staff would like City Council to consider using the entire \$400,000 General Fund allocation for alley improvements.

Over the past three years, staff has received service requests for repairs to 27 alleys throughout the City. The majority of these alleys suffer from deteriorated pavement and/or potholes, which are repaired by City Public Works on an as-needed basis. However, through meetings with property owners and site inspections, staff identified several alleys that should be reconstructed based on drainage issues. A location map, photos and preliminary construction cost estimates for the “Top 10” alleys in need of improvements are attached. The alleys are ranked by priority, with those experiencing extensive ponding and/or other drainage issues at the top of the list.

The preliminary cost estimate to reconstruct nine alleys with new concrete plus soil stabilization for alley #10 is approximately \$800,000. Staff also estimates approximately \$50,000 for final design and \$80,000 for construction management and inspections, for a total project cost of \$930,000. Since the available budget is only \$400,000, staff seeks City Council direction on the following options:

- 1) Complete final design for all 10 alleys and construction for the “Top 2” alleys plus alley #10 only in FY 2016, within the available budget;
- 2) Complete final design and construction for a different combination of alleys in FY 2016, within the available budget;
- 3) Complete final design only for all 10 alleys in FY 2016; program additional funds through the FY 2017 CIP budget to complete construction for all 10 alleys in FY 2017;
- 4) Spend the current funding allocation on street resurfacing and/or slurry seal projects.

This is an aerial map of San Diego, California, showing the city's layout and major roads. Ten specific locations are marked for data collection, labeled 'Location 1' through 'Location 10'. The locations are distributed across the city, with some clustered in the center and others more isolated. The map includes labels for major roads such as I-15, I-805, and I-5, as well as local streets like E 4th St, E 5th St, and E 6th St. The map is oriented with North at the top. The Google Earth logo is visible in the bottom right corner.

Location	Approximate Coordinates (Latitude, Longitude)
Location 1	32.715, -117.165
Location 2	32.715, -117.165
Location 3	32.715, -117.165
Location 4	32.715, -117.165
Location 5	32.715, -117.165
Location 6	32.715, -117.165
Location 7	32.715, -117.165
Location 8	32.715, -117.165
Location 9	32.715, -117.165
Location 10	32.715, -117.165

Lincoln Acres, Calif.
Google earth

Location 1: Alley east of Grove Street between E. 18th Street and E. 20th Street



Location 2: Alley east of Prospect Street between E. 18th Street and E. 20th Street



Location 3: Alley north of 5th Street between A Ave and B Ave



Location 4: Alley east of F Ave between E. 5th Street and E. 6th Street



Location 5: Alley north of E. 23rd St. between K Ave and L Ave



Location 6: Alley north of E. 24th Street between J Ave and K Ave



Location 7: Alley east of G Ave between E. 5th St. and E. 6th St.



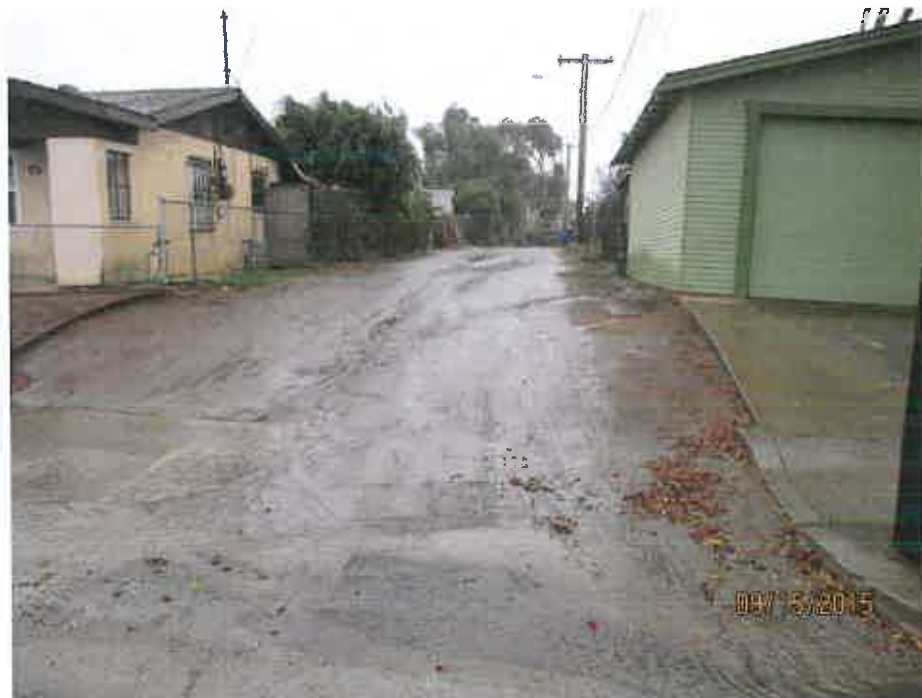
Location 8: Alley east of I Ave between E. 7th Street and E. 8th Street



Location 9: Alley east of National City Blvd between E. 17th Street and E. 18th Street



Location 10: Alley east of B Ave and south of E. 27th Street



Top 10 Alley Rankings for Improvement

	Length (Ft)	Width (Ft)	Depth of Excavation Needed (Inches)	Unclassified Excavation (CY)	Sq. Ft	Unit Cost	Unit	Total
1 Alley east of Grove Street between E. 18th Street and E. 20th Street								
Remove Misc. AC & Concrete	60	18	8	27	1080	\$ 200.00	CY	\$ 5,333.33
Excavate Subgrade	545	18	8	242	9810	\$ 150.00	CY	\$ 36,333.33
Concrete Alley	545	18	6	182	9810	\$ 12.00	SF	\$ 117,720.00
Misc. Survey					1	\$ 1,500.00	LS	\$ 1,500.00
								\$ 160,886.67
2 Alley east of Prospect Street between E. 18th Street and E. 20th Street								
Excavate Subgrade	591	16	10	292	9456	\$ 150.00	CY	\$ 43,777.78
Concrete Alley	591	16			9456	\$ 12.00	SF	\$ 113,472.00
Misc. Survey					1	\$ 2,500.00	LS	\$ 2,500.00
						Total		\$ 159,749.78
3 Alley north of 5th Street between A Ave and B Ave								
Excavate Subgrade	281	21	8	146	5901	\$ 150.00	CY	\$ 21,855.56
Possible drainage needed West end or might be existing								\$ 10,000.00
Possible Retaining Wall Needed	50					\$ 95.00	LF	\$ 4,750.00
Concrete Alley	281	21			5901	\$ 12.00	SF	\$ 70,812.00
Misc. Survey					1	\$ 1,500.00	LS	\$ 1,500.00
						Total		\$ 108,917.56
4 Alley east of F Ave between E. 5th Street and E. 6th Street								
Remove Misc. AC & Concrete 1/2	253	10	6	47	2530	\$ 200.00	CY	\$ 9,370.37
Concrete Alley	253	10	6	47	2530	\$ 12.00	SF	\$ 30,360.00
Misc. Survey					1	\$ 1,000.00	LS	\$ 1,000.00
						Total		\$ 40,730.37
5 Alley north of E. 23rd St between K and L Ave								
Excavate Subgrade	235	21	12	183	4935	\$ 150.00	CY	\$ 27,416.67
Curb Only Needed	75					\$ 30.00	LF	\$ 2,250.00
Concrete Alley	235	21			4935	\$ 12.00	SF	\$ 59,220.00
Misc. Survey					1	\$ 1,500.00	LS	\$ 1,500.00

Top 10 Alley Rankings for Improvement

	Length (Ft)	Width (Ft)	Depth of Excavation Needed (Inches)	Unclassified Excavation (CY)	Sq. Ft	Unit Cost	Unit	Total
						Total		\$ 90,386.67
6 Alley north of E. 24th Street between J Ave and K Ave								
Excavate Subgrade	280	22	6	114	6160	\$ 150.00	CY	\$ 17,111.11
Concrete Alley	280	22			6160	\$ 12.00	SF	\$ 73,920.00
Misc. Survey					1	\$ 1,500.00	LS	\$ 1,500.00
						Total		\$ 92,531.11
7 Alley east of G Ave between E. 5th St. and E. 6th St.								
Remove Misc. AC	176	8	6	26	1408	\$ 200.00	CY	\$ 5,214.81
Remove Misc. Concrete	27	8	6	4	216	\$ 200.00	CY	\$ 800.00
Remove Misc. AC	36	4	6	3	144	\$ 200.00	CY	\$ 533.33
Remove Misc. Concrete	39	12	6	9	468	\$ 200.00	CY	\$ 1,733.33
Concrete Alley	176	8	6	26	1408	\$ 12.00	SF	\$ 16,896.00
Concrete Alley	27	8	6	4	216	\$ 12.00	SF	\$ 2,592.00
Concrete Alley	36	4	6	3	144	\$ 12.00	SF	\$ 1,728.00
Concrete Alley	39	12	6	9	468	\$ 12.00	SF	\$ 5,616.00
Misc. Survey					1	\$ 1,500.00	LS	\$ 1,500.00
						Total		\$ 36,613.48
8 Alley east of I Ave between E. 7th Street and E. 8th Street								
Excavate Subgrade	21	65	6	25	1365	\$ 150.00	CY	\$ 3,791.67
Excavate Subgrade	7	75	6	10	525	\$ 150.00	CY	\$ 1,458.33
Excavate Subgrade	21	126	6	49	2646	\$ 150.00	CY	\$ 7,350.00
Concrete Alley	21	65			1365	\$ 12.00	SF	\$ 16,380.00
Concrete Alley	7	75			525	\$ 12.00	SF	\$ 6,300.00
Concrete Alley	21	126			2646	\$ 12.00	SF	\$ 31,752.00
Misc. Survey					1	\$ 1,500.00	LS	\$ 1,500.00
						Total		\$ 68,532.00
9 Alley east of National City Blvd between E. 17th Street and E. 18th Street								
Excavate Subgrade	122	7	6	16	854	\$ 150.00	CY	\$ 2,372.22
(Demo existing AC)	122	8	6	18	976	\$ 150.00	CY	\$ 2,711.11

Top 10 Alley Rankings for Improvement

	Length (Ft)	Width (Ft)	Depth of Excavation Needed (Inches)	Unclassified Excavation (CY)	Sq. Ft	Unit Cost	Unit	Total
(Alternate Option would be to patch existing AC)	128	7	6	17	896	\$ 150.00	CY	\$ 2,488.89
	31	7	6	4	217	\$ 150.00	CY	\$ 602.78
V-Gutter Removal	8	6	6	1		\$ 500.00	CY	\$ 444.44
Curb Only Needed	120					\$ 40.00	LF	\$ 4,800.00
V-Gutter Replacement (SF)	48					\$ 12.00	SF	\$ 576.00
Concrete Alley	122	7			854	\$ 12.00	SF	\$ 10,248.00
Concrete Alley	122	8			976	\$ 12.00	SF	\$ 11,712.00
Concrete Alley	128	7			896	\$ 12.00	SF	\$ 10,752.00
Concrete Alley	31	7			217	\$ 12.00	SF	\$ 2,604.00
Misc. Survey					1	\$ 1,500.00	LS	\$ 1,500.00
						Total		\$ 50,811.44
10 Alley east of B Ave and south of E. 27th Street								
Stabilize Alley (Estimate)	275	20	3	51	5500	\$ 100.00	CY	\$ 5,092.59
						GRAND TOTAL		\$ 814,251.67

The following page(s) contain the backup material for Agenda Item: Investment Report for the quarter ended September 30, 2015. (Finance)

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. _____

ITEM TITLE:

Investment Report for the quarter ended September 30, 2015.

PREPARED BY: Ronald Gutlay

PHONE: 619-336-4346

DEPARTMENT: Finance

APPROVED BY: 

EXPLANATION:

See attached staff report.

FINANCIAL STATEMENT:

ACCOUNT NO.

See attached staff report.

APPROVED: 

Finance

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Accept and File the Investment Report for the Quarter ended September 30, 2015.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Staff Report
2. Investment Listings



City Council Staff Report

December 15, 2015

ITEM

Staff Report: Investment Report for the quarter ended September 30, 2015.

BACKGROUND

The California Government Code (§ 53646(b)) requires that, when the treasurer or the chief fiscal officer of a local agency renders to the legislative body of the agency a quarterly report on the agency's investment portfolio, such report shall include the following information regarding all securities, investments, and moneys held by the local agency:

- type of investment;
- issuer (bank or institution);
- date of maturity;
- dollar amount invested; and
- current market valuation as of the date of the report.

In addition, the Government Code (§ 53646(b)(2)) requires that the report state the City's compliance with its investment policy and include a statement regarding the ability of the local agency to meet its pool's ability to meet its expenditure requirements Code (§ 53646(b)(3)).

OVERVIEW OF CITY INVESTMENTS

The City's pooled investment portfolio balance as of September 30, 2015 is summarized below and compared to the balance as of September 30, 2014.

	9/30/2015	9/30/2014
Book Value ¹	\$ 59,156,053	\$ 59,957,239
Market Value ²	\$ 59,139,295	\$ 59,814,060

(1) actual cost of investments

(2) amount at which the investments could be sold

Note: The decrease in value for the prior one-year period includes a net difference of withdrawals versus deposits of \$1,000,000.

The California Treasurer's Local Agency Investment Fund ("LAIF") and The County of San Diego Pooled Money Fund comprise 62.00% of the City of National City's total investment portfolio (53.45% and 8.55%, respectively). These are liquid investment pools that allow participants to earn market rate returns, while retaining access to funds within 24 to 48 hours of a

withdrawal request with no penalty. The remainder of the City's portfolio is composed of investments that may be liquidated at any time. However, these investments likely do not provide the short liquidity (i.e., quick access to funds) of the pooled money funds, and liquidation/withdrawal of these investments is at the risk of loss and/or penalty to the City.

Summaries of the City's investment portfolio are illustrated below.

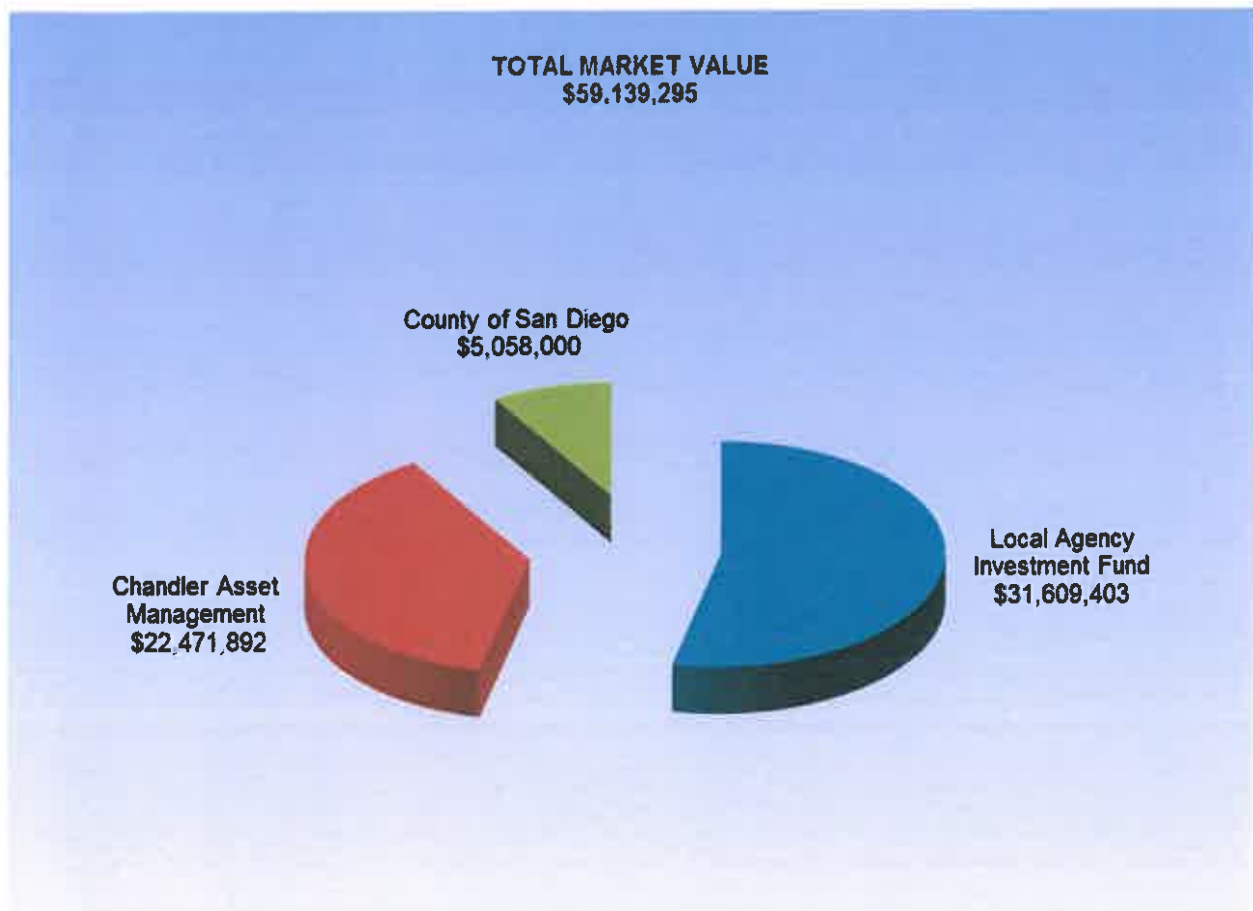
INVESTMENT PORTFOLIO SUMMARY BY ISSUER/MANAGER

As of September 30, 2015

Issuer/Manager	Book Value	Total Market Value ¹	Market YTM	% of Portfolio
Local Agency Investment Fund	31,565,218	\$ 31,609,403 ²	0.34%	53.45%
Chandler Asset Management	22,529,976	\$ 22,471,892	0.70%	38.00%
County of San Diego	5,060,859	\$ 5,058,000	0.05%	8.55%
Totals for September 2015	59,156,053	\$ 59,139,295		100.00%

1 includes accrued interest

2 calculated on 30/360 basis



INVESTMENT PERFORMANCE BY ISSUER/MANAGER**For the Quarter Ended September 30, 2015**

Issuer/Manager	Total Market Value ¹		Change	Yield (Net) ³
	6/30/15	9/30/15		
Local Agency Investment Fund	\$ 31,577,017	\$ 31,609,403	\$ 32,386	0.27%
Chandler Asset Management	22,385,462	22,471,892	86,430	1.11%
County of San Diego	5,047,000	5,058,000	11,000	0.52%
First Tennessee National Bank	504,789 ²	-	(504,789) ⁴	2.00%
Totals for September 30, 2015	\$ 59,514,268	\$ 59,139,295	\$ (374,973)	

¹ includes accrued interest² \$500,000 investment matured & was not re-invested³ Annualized⁴ Interest earned paid & transferred into City's account at maturity**COMPLIANCE STATEMENT**

All of the City's investments are in compliance with the City's investment policy (City Council Policy No. 203) and the California Government Code (§ 53601 et seq).

FINANCIAL STATEMENT

Realized and unrealized gains/(losses) for the period, reflected below, were \$39,384. These changes include changes in security market values, gain/(loss) from the sale of assets, accrued interest, and reinvested interest/earnings.

Issuer/Manager	Gain/(Loss)
Chandler Asset Management	86,430
County of San Diego	6,109
First Tennessee Bank ¹	1,354
LAIF	32,386
Totals for September 30, 2015	\$ 126,279

¹ interest paid to the City is not reinvested

The difference between the changes reflected in the previous two tables is attributable to the purchase and sale of securities for which the first of the tables accounts but the second table typically does not (unless an investment is sold before maturity).

STAFF CERTIFICATION

Staff certifies that there are sufficient funds to meet the pool's expenditure requirements.

RECOMMENDATIONS

Accept and file the Investment Report for the quarter ended September 30, 2015.

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp

October 20, 2015

CITY OF NATIONAL CITY

PMIA Average Monthly Yields

FINANCE DIRECTOR
1243 NATIONAL CITY BLVD
NATIONAL CITY, CA 91950-4397

Account Number:
98-37-576

Tran Type Definitions

September 2015 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	31,565,217.55
Total Withdrawal:	0.00	Ending Balance:	31,565,217.55

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
September 15, 2015

CITY OF NATIONAL CITY

FINANCE DIRECTOR
1243 NATIONAL CITY BLVD
NATIONAL CITY, CA 91950-4397

PMLA Average Monthly Yields

Account Number:
98-37-576

Tran Type Definitions

August 2015 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	31,565,217.55
Total Withdrawal:	0.00	Ending Balance:	31,565,217.55

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
August 19, 2015

CITY OF NATIONAL CITY

PMIA Average Monthly Yields

FINANCE DIRECTOR
1243 NATIONAL CITY BLVD
NATIONAL CITY, CA 91950-4397

Account Number:
98-37-576

Tran Type Definitions

July 2015 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
7/15/2015	7/14/2015	QRD	1472171	SYSTEM	21,334.91

Account Summary

Total Deposit:	21,334.91	Beginning Balance:	31,543,882.64
Total Withdrawal:	0.00	Ending Balance:	31,565,217.55

Monthly Account Statement

City of National City

September 1, 2015 through September 30, 2015

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

Bank of New York Mellon Trust
Company
Kitty Kwong
(213)630-6279

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.



PORTFOLIO CHARACTERISTICS			ACCOUNT SUMMARY			TOP ISSUERS		
Average Duration	1.78		Market Value	Beg. Values as of 8/31/15	End Values as of 9/30/15	Issuer		% Portfolio
Average Coupon	1.24 %		Accrued Interest	22,313,842	22,410,463	Government of United States		23.0 %
Average Purchase YTM	0.94 %		Total Market Value	82,003	61,429	Federal National Mortgage Assoc		20.7 %
Average Market YTM	0.70 %			22,395,845	22,471,892	Federal Home Loan Mortgage Corp		19.2 %
Average S&P/Moody Rating	AA+/Aaa		Income Earned	22,889	22,718	Federal Home Loan Bank		15.9 %
Average Final Maturity	1.81 yrs		Cont/WD		-1,120	Federal Farm Credit Bank		11.7 %
Average Life	1.81 yrs		Par	22,257,808	22,295,939	Apple Inc		1.3 %
			Book Value	22,528,380	22,529,976	Berkshire Hathaway		1.3 %
			Cost Value	22,528,380	22,529,976	General Electric Co		1.2 %
								94.3 %
SECTOR ALLOCATION			MATURITY DISTRIBUTION			CREDIT QUALITY (S&P)		
PERFORMANCE REVIEW								
Total Rate of Return As of 9/30/2015	Current Month	Latest 3 Months	Year To Date	Annualized			Since 2/29/2012	
City of National City	0.34 %	0.40 %	0.93 %	1 Yr	3 Yrs	5 Yrs	10 Yrs	2/29/2012
BAML 1-3 Yr US Treasury/Agency Index	0.30 %	0.32 %	0.99 %	1.17 %	0.69 %	N/A	N/A	0.69 %
								2.51 %
								2.48 %



City of National City
September 30, 2015

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the City's investment policy.

Category	Standard	Comment
Local Agency Bonds	No Limitation; BBB rated equivalent by a NRSRO	Complies
Treasury Issues	No Limitation	Complies
Agency Issues	No Limitation	Complies
Banker's Acceptances	40% maximum; <180 days maturity; A-1 rated equivalent by at least two NRSROs	Complies
Commercial Paper *	25% maximum; <270 days maturity; A-1 rated equivalent by at least two NRSROs	Complies
Negotiable Certificates of Deposit *	30% maximum; A rated equivalent by at least two NRSROs	Complies
Medium Term Notes *	30% maximum; A rated equivalent by at least two NRSROs	Complies
	*10% combined total exposure to Commercial Paper, Negotiable Certificates of Deposit, and Medium Term Notes	
Money Market Mutual Funds	20% maximum; rated AAA equivalent by at least two NRSROs	Complies
Mortgage Pass-throughs, CMOs and Asset Backed Securities	20% maximum; AA-rated issue; A-rated issuer	Complies
Local Agency Investment Fund - L.A.I.F.	Currently not used by investment adviser	Complies
Prohibited Securities	Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities	Complies
Issuer Maximum	5% per issuer for all non-government issuers	Complies
Maximum maturity	5 years	Complies

Reconciliation Summary

As of 9/30/2015

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$22,528,380.09
Acquisition		
+ Security Purchases	\$1,279,042.00	
+ Money Market Fund Purchases	\$1,146,272.80	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$2,425,314.80
Dispositions		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$1,282,021.86	
- MMF Withdrawals	\$1,120.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$1,100,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$2,383,141.86
Amortization/Accretion		
+/- Net Accretion	\$0.00	
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	(\$40,577.30)	
Ending Book Value		\$22,529,975.73

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$162,807.86
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$46,268.75	
Dividend Received	\$4.05	
Principal on Maturities	\$1,100,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$1,146,272.80	
Disposition		
Withdrawals	\$1,120.00	
Security Purchase	\$1,279,042.00	
Accrued Interest Paid	\$2,979.86	
Total Dispositions	\$1,283,141.86	
Ending Book Value		\$25,938.80



City of National City
Account #10162

Holdings Report
As of 9/30/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port- Gain/Loss	Moody/S&P Fitch	Maturity Duration
31398A4M1	FNMA Note 1.625% Due 10/26/2015	525,000.00	05/06/2013 0.32 %	541,779.00 541,779.00	100.10 0.24 %	525,523.95 3,673.18	2.35 % (16,255.05)	Aaa / Aa+ AAA	0.07 0.07
31331J2S1	FFCB Note 1.5% Due 11/16/2015	375,000.00	02/27/2012 0.66 %	386,490.75 386,490.75	100.17 0.21 %	375,619.13 2,109.38	1.68 % (10,871.62)	Aaa / Aa+ AAA	0.13 0.13
313371NW2	FHLB Note 1.375% Due 12/11/2015	600,000.00	11/16/2012 0.39 %	617,928.00 617,928.00	100.25 0.11 %	601,500.00 2,520.83	2.69 % (16,428.00)	Aaa / Aa+ AAA	0.20 0.20
31350G0B0	FNMA Note 0.375% Due 12/21/2015	490,000.00	11/26/2012 0.45 %	488,858.30 488,858.30	100.05 0.14 %	490,263.13 510.42	2.18 % 1,404.83	Aaa / Aa+ AAA	0.22 0.22
3133ECFV1	FFCB Note 0.43% Due 1/29/2016	515,000.00	02/25/2013 0.44 %	514,902.15 514,902.15	100.06 0.26 %	515,290.98 381.39	2.29 % 388.83	Aaa / Aa+ AAA	0.33 0.33
3133EAJU3	FFCB Note 1.05% Due 3/28/2016	340,000.00	03/11/2013 0.46 %	346,079.20 346,079.20	100.41 0.21 %	341,405.90 29.75	1.52 % (4,673.30)	Aaa / Aa+ AAA	0.49 0.49
31350G0BA0	FNMA Note 2.375% Due 4/11/2016	375,000.00	02/24/2012 0.86 %	397,993.13 397,993.13	101.12 0.27 %	379,182.38 4,205.73	1.71 % (18,810.75)	Aaa / Aa+ AAA	0.53 0.52
3137EACT4	FHLMC Note 2.5% Due 5/27/2016	375,000.00	03/20/2012 1.14 %	395,804.63 395,804.63	101.42 0.34 %	380,320.13 3,229.17	1.71 % (15,484.50)	Aaa / Aa+ AAA	0.66 0.65
3137EACW7	FHLMC Note 2% Due 8/25/2016	575,000.00	01/09/2013 0.56 %	604,762.00 604,762.00	101.43 0.41 %	583,203.53 1,150.00	2.60 % (21,558.47)	Aaa / Aa+ AAA	0.90 0.90
31331V3Z7	FFCB Note 5.2% Due 9/15/2016	365,000.00	06/22/2012 0.88 %	430,134.25 430,134.25	104.52 0.47 %	381,502.02 843.56	1.70 % (48,632.23)	Aaa / Aa+ AAA	0.96 0.94
3137EADS5	FHLMC Note 0.875% Due 10/14/2016	480,000.00	11/14/2013 0.64 %	483,316.80 483,316.80	100.43 0.46 %	482,056.80 1,948.33	2.15 % (1,260.00)	Aaa / Aa+ AAA	1.04 1.03
313371PV2	FHLB Note 1.625% Due 12/9/2016	480,000.00	02/29/2012 0.97 %	494,668.80 494,668.80	101.30 0.53 %	486,237.60 2,426.67	2.17 % (8,431.20)	Aaa / Aa+ AAA	1.19 1.18
31350G0Y3	FNMA Note 1.25% Due 1/30/2017	400,000.00	09/17/2012 0.71 %	409,328.00 409,328.00	100.95 0.53 %	403,819.60 847.22	1.80 % (5,508.40)	Aaa / Aa+ AAA	1.34 1.32
3137EADC0	FHLMC Note 1% Due 3/8/2017	535,000.00	08/20/2012 0.86 %	538,386.55 538,386.55	100.64 0.56 %	538,399.93 341.81	2.40 % 13.38	Aaa / Aa+ AAA	1.44 1.43
3133EFAN7	FFCB Note 0.75% Due 4/24/2017	550,000.00	09/23/2015 0.63 %	551,045.00 551,045.00	100.26 0.58 %	551,425.05 423.96	2.46 % 380.05	Aaa / Aa+ AAA	1.57 1.55
313379DD8	FHLB Note 1% Due 6/21/2017	565,000.00	03/14/2014 0.91 %	566,553.75 566,553.75	100.67 0.61 %	568,800.19 1,569.44	2.54 % 2,246.44	Aaa / Aa+ AAA	1.73 1.70
31350G0MZ3	FNMA Note 0.875% Due 8/28/2017	545,000.00	08/15/2013 1.32 %	535,429.80 535,429.80	100.14 0.80 %	545,755.37 437.14	2.43 % 10,325.57	Aaa / Aa+ AAA	1.91 1.89
3137EADL0	FHLMC Note 1% Due 9/29/2017	525,000.00	09/23/2015 0.74 %	527,709.00 527,709.00	100.61 0.69 %	528,177.30 29.17	2.35 % 468.30	Aaa / Aa+ AAA	2.00 1.98
31350G0RT2	FNMA Note 0.875% Due 12/20/2017	350,000.00	07/31/2015 0.87 %	350,044.80 350,044.80	100.25 0.76 %	350,886.55 859.20	1.57 % 841.75	Aaa / Aa+ AAA	2.22 2.19
3137EADN6	FHLMC Note 0.75% Due 1/12/2018	490,000.00	07/28/2014 1.30 %	480,954.59 480,954.59	99.92 0.79 %	489,589.38 806.46	2.18 % 8,634.79	Aaa / Aa+ AAA	2.29 2.26



City of National City
Account #10162

Holdings Report
As of 9/30/15

CUSIP	AGENCY	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3135G0TG8		FNMA Note 0.875% Due 2/8/2018	590,000.00	12/11/2013 1.31 %	579,757.60 579,757.60	100.15 0.81 %	590,901.52 760.03	2.63 % 11,143.92	Aaa / AA+ AAA	2.36 2.32
3137EADP1		FHLMC Note 0.875% Due 3/7/2018	400,000.00	02/26/2015 1.08 %	397,552.00 397,552.00	100.08 0.84 %	400,339.20 233.33	1.78 % 2,787.20	Aaa / AA+ AAA	2.44 2.40
313378A43		FHLB Note 1.375% Due 3/9/2018	470,000.00	09/17/2013 1.65 %	464,472.80 464,472.80	101.08 0.92 %	475,094.33 394.93	2.12 % 10,621.53	Aaa / AA+ AAA	2.44 2.40
3130A4GJ5		FHLB Note 1.125% Due 4/25/2018	450,000.00	Various 1.00 %	451,689.00 451,689.00	100.68 0.86 %	453,056.85 2,193.75	2.03 % 1,367.85	Aaa / AA+ AAA	2.57 2.52
3133EEJ50		FFCB Note 1.03% Due 5/11/2018	450,000.00	05/05/2015 1.09 %	449,145.00 449,145.00	100.24 0.94 %	451,073.70 1,802.50	2.02 % 1,928.70	Aaa / AA+ AAA	2.61 2.56
3135G0WJ8		FNMA Note 0.875% Due 5/21/2018	450,000.00	05/05/2015 1.06 %	447,472.80 447,472.80	99.94 0.90 %	449,729.55 1,421.88	2.01 % 2,256.75	Aaa / AA+ AAA	2.64 2.60
3135G0E33		FNMA Note 1.125% Due 7/20/2018	450,000.00	Various 1.15 %	449,689.56 449,689.56	100.48 0.95 %	452,156.40 998.44	2.02 % 2,466.84	Aaa / AA+ AAA	2.81 2.75
3135G0YT4		FNMA Note 1.625% Due 11/27/2018	440,000.00	08/31/2015 1.18 %	446,141.96 446,141.96	101.79 1.05 %	447,867.20 2,462.78	2.00 % 1,725.24	Aaa / AA+ AAA	3.16 3.06
3133782M2		FHLB Note 1.5% Due 3/8/2019	440,000.00	05/28/2015 1.30 %	443,207.60 443,207.60	101.04 1.19 %	444,560.16 421.67	1.98 % 1,352.56	Aaa / AA+ AAA	3.44 3.34
3137EADK2		FHLMC Note 1.25% Due 8/1/2019	450,000.00	05/05/2015 1.46 %	446,149.35 446,149.35	99.94 1.27 %	449,736.75 937.50	2.01 % 3,587.40	Aaa / AA+ AAA	3.84 3.73
313380FB8		FHLB Note 1.375% Due 9/13/2019	540,000.00	Various 1.52 %	536,816.60 536,816.60	100.38 1.28 %	542,066.58 371.25	2.41 % 5,249.98	Aaa / AA+ NR	3.96 3.83
3137EADM8		FHLMC Note 1.25% Due 10/2/2019	450,000.00	05/05/2015 1.52 %	444,822.75 444,822.75	99.80 1.30 %	449,088.30 2,796.88	2.01 % 4,265.55	Aaa / AA+ AAA	4.01 3.87
Total Agency			15,035,000.00	0.94 %	15,219,085.52 15,219,085.52	0.66 %	15,124,629.46 43,137.75	67.50 % (94,456.06)	Aaa / AA+ Aaa	1.80 1.76
MONEY MARKET FUND FI										
60934N807		Federated Govt Oblig Fund Inst.	25,938.80	Various 0.01 %	25,938.80 25,938.80	1.00 0.01 %	25,938.80 0.00	0.12 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI			25,938.80	0.01 %	25,938.80 25,938.80	0.01 %	25,938.80 0.00	0.12 % 0.00	Aaa / AAA Aaa	0.00 0.00
US CORPORATE										
037833AH3		Apple Inc Note 0.45% Due 5/3/2016	290,000.00	06/17/2014 0.56 %	289,428.70 289,428.70	100.03 0.40 %	290,078.88 536.50	1.29 % 650.18	Aa1 / AA+ NR	0.59 0.59
084670BD9		Berkshire Hathaway Note 1.9% Due 1/31/2017	285,000.00	06/17/2014 1.02 %	291,429.60 291,429.60	101.34 0.89 %	288,820.43 917.54	1.29 % (2,609.17)	Aa2 / AA A+	1.34 1.31
91159HHD5		US Bancorp Callable Note Cont 4/15/2017 1.65% Due 5/15/2017	250,000.00	05/19/2014 1.07 %	254,227.50 254,227.50	100.89 1.06 %	252,236.75 1,558.33	1.13 % (1,990.75)	A1 / A+ AA-	1.62 1.51



City of National City
Account #10162

Holdings Report
As of 9/30/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
36962G6K5	General Electric Capital Corp Note 1.6% Due 11/20/2017	270,000.00	11/24/2014 1.32 %	272,208.60 272,208.60	101.31 0.98 %	273,529.98 1,572.00	1.22 % 1,321.38	A1 / AA+ NR	2.14 2.09
166764AA8	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	260,000.00	05/19/2014 1.14 %	259,703.60 259,703.60	99.60 1.30 %	258,957.92 924.91	1.16 % (745.68)	Aa1 / AA NR	2.18 2.06
94974BFG0	Wells Fargo Corp Note 1.5% Due 1/16/2018	270,000.00	11/24/2014 1.58 %	269,365.50 269,365.50	99.91 1.54 %	269,743.77 843.75	1.20 % 378.27	A2 / A+ AA-	2.30 2.24
808513AK1	Charles Schwab Corp Callable Note Cont 2/10/2018 1.5% Due 3/10/2018	250,000.00	04/07/2015 1.28 %	251,547.50 251,547.50	100.10 1.46 %	250,239.75 218.75	1.11 % (1,307.75)	A2 / A A	2.44 2.30
747525AG8	Qualcomm Inc Note 1.4% Due 5/18/2018	220,000.00	06/16/2015 1.53 %	219,205.80 219,205.80	99.62 1.55 %	219,165.76 1,120.78	0.98 % (40.04)	A1 / A+ NR	2.63 2.56
Total US Corporate		2,095,000.00	1.17 %	2,107,116.80 2,107,116.80	1.13 %	2,102,773.24 7,692.56	9.39 % (4,343.56)	A1 / AA- A+	1.87 1.80
US TREASURY									
912828PE4	US Treasury Note 1.25% Due 10/31/2015	435,000.00	02/24/2012 0.59 %	445,434.66 445,434.66	100.08 0.32 %	435,339.74 2,275.48	1.95 % (10,094.92)	Aaa / AA+ AAA	0.08 0.08
912828UM0	US Treasury Note 0.375% Due 2/15/2016	500,000.00	11/14/2013 0.36 %	500,216.52 500,216.52	100.10 0.10 %	500,514.50 239.47	2.23 % 237.98	Aaa / AA+ AAA	0.38 0.37
912828QA1	US Treasury Note 2.25% Due 3/31/2016	500,000.00	12/14/2012 0.38 %	530,431.36 530,431.36	101.03 0.19 %	505,143.00 30.74	2.25 % (25,288.36)	Aaa / AA+ AAA	0.50 0.50
912828RF9	US Treasury Note 1% Due 8/31/2016	570,000.00	10/12/2012 0.48 %	581,357.38 581,357.38	100.56 0.39 %	573,184.02 485.44	2.55 % (8,173.36)	Aaa / AA+ AAA	0.92 0.91
912828SY7	US Treasury Note 0.625% Due 5/31/2017	500,000.00	03/14/2014 0.86 %	496,290.74 496,290.74	100.07 0.58 %	500,371.00 1,050.20	2.23 % 4,080.26	Aaa / AA+ AAA	1.67 1.65
912828UU2	US Treasury Note 0.75% Due 3/31/2018	520,000.00	09/03/2014 1.27 %	510,637.68 510,637.68	99.86 0.81 %	519,255.36 10.66	2.31 % 8,617.68	Aaa / AA+ AAA	2.50 2.47
912828UZ1	US Treasury Note 0.625% Due 4/30/2018	415,000.00	Various 0.92 %	411,180.30 411,180.30	99.49 0.83 %	412,871.05 1,085.43	1.84 % 1,690.75	Aaa / AA+ AAA	2.58 2.55
912828VK3	US Treasury Note 1.375% Due 6/30/2018	400,000.00	02/26/2015 1.15 %	402,954.47 402,954.47	101.35 0.88 %	405,396.00 1,389.95	1.81 % 2,441.53	Aaa / AA+ AAA	2.75 2.69
912828XK1	US Treasury Note 0.875% Due 7/15/2018	450,000.00	07/31/2015 0.99 %	448,560.10 448,560.10	99.99 0.88 %	449,976.60 834.58	2.01 % 1,416.50	Aaa / AA+ AAA	2.79 2.75
912828SD3	US Treasury Note 1.25% Due 1/31/2019	400,000.00	04/29/2015 1.18 %	401,095.09 401,095.09	100.66 1.05 %	402,656.40 842.39	1.80 % 1,561.31	Aaa / AA+ AAA	3.34 3.25

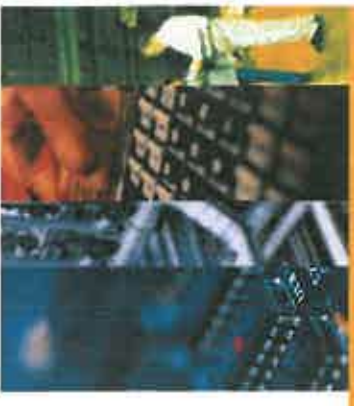


City of National City
Account #10162

Holdings Report

As of 9/30/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828ST8	US Treasury Note 1.25% Due 4/30/2019	450,000.00	Various 1.27 %	449,676.31 449,676.31	100.54 1.10 %	452,414.26 2,353.94	2.02 % 2,737.95	Aaa / AA+ AAA	3.58 3.48
Total US Treasury		5,140,000.00	0.83 %	5,177,834.61 5,177,834.61	0.63 %	5,157,121.93 10,598.28	23.00 % (20,712.68)	Aaa / AA+ Aaa	1.85 1.82
TOTAL PORTFOLIO		22,295,938.80	0.94 %	22,529,975.73 22,529,975.73	0.70 %	22,410,463.43 61,428.59	100.00 % (119,512.30)	Aaa / AA+ Aaa	1.81 1.78
TOTAL MARKET VALUE PLUS ACCRUED						22,471,892.02			



County of San Diego Treasurer Investment Report

***MONTH ENDING
September 30, 2014***

COUNTY OF SAN DIEGO TREASURER - TAX COLLECTOR

Leading the way

Participant Cash Balances

San Diego Pooled Money Fund
as of September 30, 2015

(\$000)

PARTICIPANT	FMV 07/31/15	FMV 08/31/15	FMV 09/30/15	% of Total	PARTICIPANT	FMV 07/31/15	FMV 08/31/15	FMV 09/30/15	% of Total
COUNTY	\$ 707,514	\$ 681,430	\$ 745,227	11.54%	Lakeside Fire	6,089	5,955	5,197	
COUNTY - SPECIAL TRUST FUNDS	1,763,957	1,653,394	1,633,120	25.29%	Leucadia Water District	11,422	11,404	11,429	
NON-COUNTY INVESTMENT FUNDS	191,272	185,639	192,376	2.98%	Lower Sweetwater FPD	469	472	386	
SCHOOLS - (K THRU 12)	2,902,779	2,535,503	2,508,451	38.85%	Metropolitan Transit System	5,228	4,813	4,805	
					Mission Resource Conservation District	440	440	441	
COMMUNITY COLLEGES					North County Cemetery District	1,422	1,417	1,431	
San Diego	261,473	213,167	207,597	3.22%	North County Cemetery Perpetual	1,526	1,537	1,551	
Grossmont	115,920	92,336	99,994	1.55%	North County Cemetery	1,128	1,090	1,087	
Mira Costa	38,387	31,526	23,704	0.37%	North County Dispatch	2,577	2,661	3,617	
Palomar	341,351	323,622	325,118	5.04%	North County Fire	1,522	2,550	1,425	
Southwestern	240,860	221,822	222,240	3.44%	Otay Water District Investment	15,600	15,574	16,408	
Total Community Colleges	995,994	882,472	878,653	13.61%	Pine Valley FPD	495	488	490	
					Pomerado Cemetery District	1,777	1,739	1,686	
SDCERA	3,974	3,981	614		Ramona Cemetery District	544	523	573	
SANCAL	23,518	21,733	21,781		Ramona Cemetery Perpetual	361	360	367	
MTDB	714	713	714		Rancho Santa Fe FPD	10,189	9,511	9,086	
SANDAG	63,514	62,964	59,847		Rincon del Diablo Municipal Water District	3,009	3,004	3,010	
					San Diego Housing Commission	7,051	7,040	7,055	
CITIES					San Diego Rural Fire	160	160	149	
Chula Vista	39,495	39,430	39,517		San Dieguito River	53	43	227	
Del Mar	3,047	3,042	3,048		San Marcos FPD	1	1	1	
Encinitas	2	2	2		San Miguel FPD	8,222	8,041	4,912	
Lemon Grove	2	2	2		San Ysidro Sanitation	13	13	13	
National City	5,055	5,047	5,058		Santa Fe Irrigation District	4,948	4,939	4,950	
					SDC Regional Airport Authority	216,895	238,266	242,137	
INDEPENDENT AGENCIES					Upper San Luis Rey Reservoir	27	27	27	
Alpine FPD	1,360	1,091	803		Vallecitos Water District	5,108	5,099	5,111	
Bonita Sunnyside FPD	4,580	4,614	4,236		Valley Center FPD	3,648	3,394	3,298	
Bonnie Springs FPD	1,392	1,361	1,221		Valley Cntr Cemetery	49	49	49	
Deer Springs FPD	7,888	7,832	8,031		Valley Ctr Cem Perpetual	240	241	242	
Fallbrook Public UTL	14	14	14		Valley Ctr Water District	16,329	16,029	15,627	
Grossmont Healthcare District	1,003	1,002	1,004		Vista FPD	2,178	2,174	2,179	
Public Agency Self Insurance System	3,372	3,366	3,374						
Julian-Cuyamaca FPD	151	154	155		Total Independent Agencies	488,170	505,680	498,655	7.72%
Lake Cuyamaca Rec & Park	372	279	268						
					Pooled Money Fund Total	\$7,049,686	\$6,444,117	\$6,456,480	100.00%

COUNTY OF SAN DIEGO TREASURER - TAX COLLECTOR

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Page: 1 of 2

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Page: 2 of 2

End of Report

The following page(s) contain the backup material for Agenda Item: Investment transactions for the month ended October 31, 2015. (Finance)

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO.

ITEM TITLE:

Investment transactions for the month ended October 31, 2015.

PREPARED BY: Ronald Gutlay

PHONE: 619-336-4346

DEPARTMENT: Finance

APPROVED BY: 

EXPLANATION:

In accordance with California Government Code Section 53646 and City of National City's investment policy section XIA, a monthly report shall be submitted to the legislative body accounting for transactions made during the reporting period.

The attached listing reflects investment transactions of the City of National City's investment portfolio for the month ending October 31, 2015.

FINANCIAL STATEMENT:

ACCOUNT NO.

NA

APPROVED: 

Finance

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE:

INTRODUCTION:

☐

FINAL ADOPTION:

☐

STAFF RECOMMENDATION:

Accept and file the Investment Transaction Ledger for the month ended October 31, 2015.

BOARD / COMMISSION RECOMMENDATION:

NA

ATTACHMENTS:

Investment Transaction Ledger



City of National City Consolidated
Account #10218

Holdings Report
As of 10/31/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
31331U2S1	FFCB Note 1.5% Due 11/16/2015	375,000.00	02/27/2012 0.66 %	386,490.75 386,490.75	100.06 0.16 %	375,208.50 2,578.13	0.64 % (11,282.25)	Aaa / AA+ AAA	0.04 0.04
313371NW2	FHLB Note 1.375% Due 12/11/2015	600,000.00	11/16/2012 0.39 %	617,928.00 617,928.00	100.13 0.21 %	600,773.40 3,208.33	1.02 % (17,154.60)	Aaa / AA+ AAA	0.11 0.11
3135G0SB0	FNMA Note 0.375% Due 12/21/2015	490,000.00	11/26/2012 0.45 %	488,858.30 488,858.30	100.02 0.20 %	490,117.11 663.54	0.83 % 1,258.81	Aaa / AA+ AAA	0.14 0.14
3133ECFV1	FFCB Note 0.43% Due 1/29/2016	515,000.00	02/25/2013 0.44 %	514,902.15 514,902.15	100.06 0.18 %	515,311.06 565.93	0.87 % 408.91	Aaa / AA+ AAA	0.25 0.24
3133EAJU3	FFCB Note 1.05% Due 3/28/2016	340,000.00	03/11/2013 0.46 %	346,079.20 346,079.20	100.32 0.27 %	341,075.42 327.25	0.58 % (5,003.78)	Aaa / AA+ AAA	0.41 0.41
3135G0BA0	FNMA Note 2.375% Due 4/11/2016	375,000.00	02/24/2012 0.86 %	397,993.13 397,993.13	100.91 0.32 %	378,425.63 494.79	0.64 % (19,567.50)	Aaa / AA+ AAA	0.45 0.44
3137EACT4	FHLMC Note 2.5% Due 5/27/2016	375,000.00	03/20/2012 1.14 %	395,804.63 395,804.63	101.21 0.39 %	379,528.50 4,010.42	0.65 % (16,276.13)	Aaa / AA+ AAA	0.57 0.57
3137EACW7	FHLMC Note 2% Due 8/25/2016	575,000.00	01/09/2013 0.56 %	604,762.00 604,762.00	101.26 0.45 %	582,238.10 2,108.33	0.99 % (22,523.90)	Aaa / AA+ AAA	0.82 0.81
31331V3Z7	FFCB Note 5.2% Due 9/15/2016	365,000.00	06/22/2012 0.88 %	430,134.25 430,134.25	103.97 0.63 %	379,483.20 2,425.22	0.65 % (50,651.05)	Aaa / AA+ AAA	0.88 0.86
3137EADS5	FHLMC Note 0.875% Due 10/14/2016	480,000.00	11/14/2013 0.64 %	483,316.80 483,316.80	100.36 0.49 %	481,734.72 198.33	0.82 % (1,582.08)	Aaa / AA+ AAA	0.96 0.95
313371PV2	FHLB Note 1.625% Due 12/9/2016	480,000.00	02/29/2012 0.97 %	494,668.80 494,668.80	101.11 0.61 %	485,348.64 3,076.67	0.83 % (9,320.16)	Aaa / AA+ AAA	1.11 1.09
3135G0GY3	FNMA Note 1.25% Due 1/30/2017	400,000.00	09/17/2012 0.71 %	409,328.00 409,328.00	100.83 0.58 %	403,327.60 1,263.89	0.68 % (6,000.40)	Aaa / AA+ AAA	1.25 1.24
3137EADC0	FHLMC Note 1% Due 3/8/2017	535,000.00	08/20/2012 0.86 %	538,386.55 538,386.55	100.54 0.60 %	537,900.77 787.64	0.91 % (485.78)	Aaa / AA+ AAA	1.35 1.34
3133EFAN7	FFCB Note 0.75% Due 4/24/2017	550,000.00	09/23/2015 0.63 %	551,045.00 551,045.00	100.12 0.67 %	550,660.00 80.21	0.93 % (385.00)	Aaa / AA+ AAA	1.48 1.47
313379DD8	FHLB Note 1% Due 6/21/2017	565,000.00	03/14/2014 0.91 %	566,553.75 566,553.75	100.47 0.71 %	567,672.45 2,040.28	0.96 % 1,118.70	Aaa / AA+ AAA	1.64 1.62
3135G0MZ3	FNMA Note 0.875% Due 8/28/2017	545,000.00	08/15/2013 1.32 %	535,429.80 535,429.80	100.22 0.75 %	546,195.19 834.53	0.93 % 10,765.39	Aaa / AA+ AAA	1.83 1.81
3137EADL0	FHLMC Note 1% Due 9/29/2017	525,000.00	09/23/2015 0.74 %	527,709.00 527,709.00	100.33 0.83 %	526,710.98 466.67	0.89 % (998.02)	Aaa / AA+ AAA	1.92 1.89
3135G0RT2	FNMA Note 0.875% Due 12/20/2017	350,000.00	07/31/2015 0.87 %	350,044.80 350,044.80	100.06 0.85 %	350,219.45 1,114.41	0.59 % 174.65	Aaa / AA+ AAA	2.14 2.11
3137EADN6	FHLMC Note 0.75% Due 1/12/2018	490,000.00	07/28/2014 1.30 %	480,954.59 480,954.59	99.72 0.88 %	488,638.29 1,112.71	0.83 % 7,683.70	Aaa / AA+ AAA	2.20 2.17
3135G0TG8	FNMA Note 0.875% Due 2/8/2018	590,000.00	12/11/2013 1.31 %	579,757.60 579,757.60	99.98 0.88 %	589,903.83 1,190.24	1.00 % 10,146.23	Aaa / AA+ AAA	2.28 2.24



City of National City Consolidated
Account #10218

Holdings Report
As of 10/31/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3137EADP1	FHLMC Note 0.875% Due 3/7/2018	400,000.00	02/26/2015 1.08 %	397,552.00 397,552.00	99.87 0.93 %	399,491.60 525.00	0.68 % 1,939.60	Aaa / Aa+ AAA	2.35 2.32
313378A43	FHLB Note 1.375% Due 3/9/2018	470,000.00	09/17/2013 1.65 %	464,472.80 464,472.80	101.05 0.92 %	474,940.64 933.47	0.81 % 10,467.84	Aaa / Aa+ AAA	2.36 2.31
3130A4GJ5	FHLB Note 1.125% Due 4/25/2018	450,000.00	Various 1.00 %	451,689.00 451,689.00	100.52 0.91 %	452,361.15 84.38	0.77 % 672.15	Aaa / Aa+ AAA	2.48 2.44
3133EEJ50	FFCB Note 1.03% Due 5/11/2018	450,000.00	05/05/2015 1.09 %	449,145.00 449,145.00	100.00 1.03 %	449,986.05 2,188.75	0.77 % 841.05	Aaa / Aa+ AAA	2.53 2.48
3135GOWJ8	FNMA Note 0.875% Due 5/21/2018	450,000.00	05/05/2015 1.06 %	447,472.80 447,472.80	99.71 0.99 %	448,695.00 1,750.00	0.76 % 1,222.20	Aaa / Aa+ AAA	2.56 2.51
3135G0E33	FNMA Note 1.125% Due 7/20/2018	450,000.00	Various 1.15 %	449,689.56 449,689.56	100.30 1.01 %	451,341.90 1,420.31	0.77 % 1,652.34	Aaa / Aa+ AAA	2.72 2.66
3135G0YT4	FNMA Note 1.625% Due 11/27/2018	440,000.00	08/31/2015 1.18 %	446,141.96 446,141.96	101.60 1.09 %	447,036.92 3,058.61	0.76 % 894.93	Aaa / Aa+ AAA	3.08 2.97
3133782M2	FHLB Note 1.5% Due 3/8/2019	440,000.00	05/28/2015 1.30 %	443,207.60 443,207.60	100.75 1.27 %	443,278.44 971.67	0.75 % 70.94	Aaa / Aa+ AAA	3.35 3.26
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	450,000.00	05/05/2015 1.46 %	446,149.35 446,149.35	99.56 1.37 %	448,006.05 1,406.25	0.76 % 1,856.70	Aaa / Aa+ AAA	3.75 3.64
313380FB8	FHLB Note 1.375% Due 9/13/2019	540,000.00	Various 1.52 %	536,816.60 536,816.60	99.94 1.39 %	539,692.20 990.00	0.91 % 2,875.60	Aaa / Aa+ NR	3.87 3.75
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	450,000.00	05/05/2015 1.52 %	444,822.75 444,822.75	99.27 1.44 %	446,718.15 453.13	0.76 % 1,895.40	Aaa / Aa+ AAA	3.92 3.81
Total Agency		14,510,000.00	0.97 %	14,677,396.52 14,677,396.52	0.74 %	14,572,020.94 42,329.09	24.73 % (105,285.58)	Aaa / Aa+ Aaa	1.77 1.74
INVESTMENT POOL									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,037,000.00	Various 0.00 %	5,037,000.00 5,037,000.00	1.00 0.00 %	5,037,000.00 0.00	8.52 % 0.00	NR / NR NR	0.00 0.00
Total Investment Pool		5,037,000.00	0.00 %	5,037,000.00 5,037,000.00	0.00 %	5,037,000.00 0.00	8.52 % 0.00	NR / NR NR	0.00 0.00
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	31,590,632.92	Various 0.36 %	31,590,632.92 31,590,632.92	1.00 0.36 %	31,590,632.92 10,241.05	53.48 % 0.00	NR / NR NR	0.00 0.00
Total LAIF		31,590,632.92	0.36 %	31,590,632.92 31,590,632.92	0.36 %	31,590,632.92 10,241.05	53.48 % 0.00	NR / NR NR	0.00 0.00



Holdings Report
As of 10/31/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
60934N807	Federated Govt Oblig Fund Inst.	1,008,500.13	Various 0.01 %	1,008,500.13 1,008,500.13	1.00 0.01 %	1,008,500.13 0.00	1.71 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		1,008,500.13	0.01 %	1,008,500.13 1,008,500.13	0.01 %	1,008,500.13 0.00	1.71 % 0.00	Aaa / AAA Aaa	0.00 0.00
US CORPORATE									
037833AH3	Apple Inc Note 0.45% Due 5/3/2016	290,000.00	06/17/2014 0.56 %	289,428.70 289,428.70	100.04 0.37 %	290,111.36 645.25	0.49 % 682.66	Aa1 / AA+ NR	0.51 0.50
084670BD9	Berkshire Hathaway Note 1.9% Due 1/31/2017	285,000.00	06/17/2014 1.02 %	291,429.60 291,429.60	101.32 0.84 %	288,749.46 1,368.79	0.49 % (2,680.14)	Aa2 / AA A+	1.25 1.23
91159HHD5	US Bancorp Callable Note Cont 4/15/2017 1.65% Due 5/15/2017	250,000.00	05/19/2014 1.07 %	254,227.50 254,227.50	100.86 1.05 %	252,153.75 1,902.08	0.43 % (2,073.75)	A1 / A+ AA	1.54 1.43
36962G6K5	General Electric Capital Corp Note 1.6% Due 11/20/2017	270,000.00	11/24/2014 1.32 %	272,208.60 272,208.60	99.80 1.70 %	269,449.47 1,932.00	0.46 % (2,759.13)	A1 / AA+ NR	2.06 2.00
166764AA8	Chevron Corp Callable Note Cont 11/5/17 1.104% Due 12/5/2017	260,000.00	05/19/2014 1.14 %	259,703.60 259,703.60	100.05 1.08 %	260,131.56 1,164.11	0.44 % 427.96	Aa1 / AA NR	2.10 1.98
94974BFG0	Wells Fargo Corp Note 1.5% Due 1/16/2018	270,000.00	11/24/2014 1.58 %	269,365.50 269,365.50	100.36 1.33 %	270,973.62 1,181.25	0.46 % 1,608.12	A2 / A+ AA-	2.21 2.16
808513AK1	Charles Schwab Corp Callable Note Cont 2/10/2018 1.5% Due 3/10/2018	250,000.00	04/07/2015 1.28 %	251,547.50 251,547.50	100.19 1.41 %	250,478.75 531.25	0.42 % (1,068.75)	A2 / A A	2.36 2.22
747525AG8	Qualcomm Inc Note 1.4% Due 5/18/2018	220,000.00	06/16/2015 1.53 %	219,205.80 219,205.80	99.55 1.58 %	219,006.04 1,377.44	0.37 % (199.76)	A1 / A+ NR	2.55 2.48
Total US Corporate		2,095,000.00	1.17 %	2,107,116.80 2,107,116.80	1.15 %	2,101,054.01 10,102.17	3.57 % (6,062.79)	A1 / AA- A+	1.78 1.71
US TREASURY									
912828UM0	US Treasury Note 0.375% Due 2/15/2016	500,000.00	11/14/2013 0.36 %	500,216.52 500,216.52	100.06 0.17 %	500,293.00 397.42	0.85 % 76.48	Aaa / AA+ AAA	0.29 0.29
912828QA1	US Treasury Note 2.25% Due 3/31/2016	500,000.00	12/14/2012 0.38 %	530,431.36 530,431.36	100.83 0.26 %	504,131.00 983.61	0.85 % (26,300.36)	Aaa / AA+ AAA	0.42 0.41
912828RF9	US Treasury Note 1% Due 8/31/2016	570,000.00	10/12/2012 0.48 %	581,357.38 581,357.38	100.47 0.43 %	572,679.57 970.38	0.97 % (8,677.81)	Aaa / AA+ AAA	0.84 0.83
912828SY7	US Treasury Note 0.625% Due 5/31/2017	500,000.00	03/14/2014 0.86 %	496,290.74 496,290.74	99.97 0.64 %	499,850.50 1,314.39	0.85 % 3,559.76	Aaa / AA+ AAA	1.58 1.57



City of National City Consolidated
Account #10218

Holdings Report
As of 10/31/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828UU2	US Treasury Note 0.75% Due 3/31/2018	520,000.00	09/03/2014 1.27 %	510,637.68 510,637.68	99.64 0.90 %	518,131.12 340.98	0.88 % 7,493.44	Aaa / AA+ AAA	2.42 2.39
912828UZ1	US Treasury Note 0.625% Due 4/30/2018	415,000.00	Various 0.92 %	411,180.30 411,180.30	99.23 0.94 %	411,801.18 7.13	0.70 % 620.88	Aaa / AA+ AAA	2.50 2.47
912828VK3	US Treasury Note 1.375% Due 6/30/2018	400,000.00	02/26/2015 1.15 %	402,954.47 402,954.47	101.05 0.97 %	404,208.40 1,853.26	0.69 % 1,253.93	Aaa / AA+ AAA	2.67 2.60
912828XK1	US Treasury Note 0.875% Due 7/15/2018	450,000.00	07/31/2015 0.99 %	448,560.10 448,560.10	99.70 0.99 %	448,663.95 1,166.27	0.76 % 103.85	Aaa / AA+ AAA	2.71 2.66
912828SD3	US Treasury Note 1.25% Due 1/31/2019	400,000.00	04/29/2015 1.18 %	401,095.09 401,095.09	100.33 1.15 %	401,333.20 1,263.59	0.68 % 238.11	Aaa / AA+ AAA	3.25 3.17
912828ST8	US Treasury Note 1.25% Due 4/30/2019	450,000.00	Various 1.27 %	449,676.31 449,676.31	100.11 1.22 %	450,515.70 15.46	0.76 % 839.39	Aaa / AA+ AAA	3.50 3.41
Total US Treasury		4,705,000.00	0.86 %	4,732,399.95 4,732,399.95	0.74 %	4,711,607.62 8,313.49	7.99 % (20,792.33)	Aaa / AA+ Aaa	1.93 1.89
TOTAL PORTFOLIO		58,946,133.05	0.54 %	59,152,956.32 59,152,956.32	0.48 %	59,020,815.62 70,985.30	100.00 % (132,140.70)	Aaa / AA+ Aaa	0.66 0.64
TOTAL MARKET VALUE PLUS ACCRUED						59,091,801.42			

The following page(s) contain the backup material for Agenda Item: Fiscal Year 2015 and 1st Quarter Fiscal Year 2016 Budget Review. (Finance)

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO.

ITEM TITLE:

Staff Report: Fiscal Year 2015 and 1st Quarter Fiscal Year 2016 Budget Review.

PREPARED BY: Mark Roberts, Director of Finance

PHONE: 619-336-4265

DEPARTMENT: Finance

APPROVED BY: 

EXPLANATION:

See attached staff report.

FINANCIAL STATEMENT:

ACCOUNT NO.

NA

APPROVED:  Finance

APPROVED: _____ MIS

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Accept the staff report as presented.

BOARD / COMMISSION RECOMMENDATION:

NA

ATTACHMENTS:

Staff report



City Council Staff Report

December 15, 2015

ITEM

Staff Report: Fiscal Year 2015 and 1st Quarter Fiscal Year 2016 Budget Review

BACKGROUND

Consistent with the City of National City's Strategic Plan element of providing consistent financial updates, this report provides a review of the financial operating results of the City for Fiscal Year 2015 and a status report for the first quarter of Fiscal Year 2016.

Budgets are projections based on known and anticipated future revenues and expenditure obligations. Throughout the fiscal year, staff monitors and analyzes actual revenues and expenditures against projections, providing periodic reports to the City Council, City Manager, and department directors. The totals presented herein for Fiscal Year 2015 are a summary of the actual revenues and expenditures compared to the corresponding budgeted amounts for the year. However, as of the date of this report, the independent audit for Fiscal Year 2015 has not concluded. As a result, the actual amounts are subject to change should adjustments be necessary prior to closing the books for the period. The Fiscal Year 2016 first quarter data reflects revenue and expenditure totals for the period of July 1 through September 30, 2015 compared to the same period for the prior year.

DISCUSSION

Fiscal Year 2015

One of the major activities following the end of a fiscal year is the preparation for the annual audit of the City's financial records and completion of the Comprehensive Annual Financial Report ("CAFR"). This work includes such activities as processing final invoices for services and products provided by outside vendors prior to fiscal year-end; ensuring all revenues and expenditures have been appropriately accounted for; and comparing bank and investment account statements with general ledger balances, reconciling discrepancies, and posting adjusting (journal) entries as necessary. Much of this work has been completed, and it is anticipated the Fiscal Year 2015 CAFR will be completed by December 17, 2015.

It is expected that the CAFR will show an increase in the City's General Fund fund balance due to a combination of overall revenues exceeding projections and conservative spending. The variances between budgeted and actual revenues and expenditures are summarized below.

Revenues

The City receives revenues from various funding sources, some of which provide unrestricted cash that can be spent or reserved at the discretion of the City, such as state and local taxes, and fees. Other revenues are reserved for specified purposes, such as grant funds received for capital projects. Actual revenues for FY 2015 were higher than the budgeted total by more than \$2.6 million. The components are addressed by revenue source below.

Fiscal Year-End Revenue Totals

Revenue Source	Adjusted Budget	Actual (Estimated)	Variance
Sales & Use Tax	\$ 12,126,248	\$ 12,424,913	\$ 298,665
District Transactions & Use Tax	9,732,000	10,355,626	623,626
Property Tax ¹	2,073,402	1,962,897	(110,505)
Property Tax in Lieu of VLF	5,503,185	5,551,339	48,154
Property Tax in Lieu of Sales Tax	4,213,491	4,157,941	(55,550)
Other Revenue	16,772,780	18,608,592	1,835,811
Total	\$ 50,421,106	\$ 53,061,308	\$ 2,640,202

¹ reflects reduction for property tax allocation to the Library and Parks Maintenance funds

The positive variance of just over \$922,292 in the combined sales tax and district transactions (“Proposition ‘D’”) tax revenues resulted from growth in retail sales that exceeded expectations, especially in the categories of autos & transportation and business & industry. Although up slightly over Fiscal Year 2014, property taxes for Fiscal Year 2015 for the regular and supplemental rolls combined were less than anticipated by approximately \$110,000. Staff uses the best information available to project these revenues at the time of budget development, but these estimates must be prepared in advance of the release of assessed values by the County’s Assessor in June and any subsequent adjustments to those values that might occur through the appeals process. The adjustments primarily contributing to the negative budget versus actual variance are the exemption of the Summercrest Apartments property and drop of the taxable value of the Pasha Auto Group property.

Property tax in lieu of Vehicle License Fee (“VLF”) revenues show a small positive variance from the budgeted amount. These revenues are tied directly to the annual reported change in assessed value, which, excluding exemptions, changes in ownership, and completion of new construction, has continued to climb moderately over the last five years. The City’s Property Tax in Lieu of Sales Tax distribution, which is determined by the State Department of Finance after adoption of the City’s budget, was lower than estimated during preparation of the budget.

The “Other Revenue” category includes various accounts related to ongoing City operations, one-time events and capital projects reimbursements. The positive variance of \$1.8 million in this category is the net result of variances across multiple accounts. Significant components include:

- Refunds and Reimbursements (+\$532,000);
- Transient Lodging Tax (+\$524,000);
- Mandated Cost Reimbursement (+\$504,000); and
- Rental of Land (+\$244,000).

The revenue variances in the Refunds and Reimbursements and Mandated Cost Reimbursements are primarily for one-time items including the refund of monies advanced to the YMCA for maintenance at Las Palmas, reimbursement for maintenance performed at Kimball Towers, and catch up payments from the State for unfunded State mandated costs. As previously reported, these unanticipated revenues have been committed for the purchase of equipment and supplies for Las Palmas pool and Camacho Recreation Center and deferred maintenance of those facilities and for executive and management group compensation.

Transient occupancy tax revenue is somewhat representative of the economic condition of the City, and, as with the performance of sales and property tax related revenue sources, its positive variance is indicative of an improving economy.

Expenditures

As of June 30, 2015, General Fund expenses totaled \$45.3 million, \$9.5 million less than the adjusted budget of \$54.8 million. The adjusted budget includes the adopted budget, amounts carried over from the previous year's budget, and mid-year adjustments approved by Council. Of this variance, \$2.6 million is due to operational cost savings, with the remaining \$6.9 million attributable to amounts budgeted but not spent for various capital projects. The unspent capital project appropriations have been carried over to the Fiscal Year 2016 budget and remain committed to the capital projects approved by Council.

Fiscal Year-End Expenditure Totals

Expenditure Type	Adjusted Budget¹	Actual (Estimated)	Variance
Personnel Services	\$ 29,730,446	\$ 28,388,249	\$ 1,342,197
Maintenance & Operations	4,239,967	3,409,552	830,416
Capital Projects	14,187,561	7,258,827	6,928,734
Internal Service Charges	6,118,417	5,945,361	173,056
Other Expenditures	491,722	267,421	224,301
Total	\$ 54,768,114	\$ 45,269,409	\$ 9,498,705

¹ adopted budget total, plus budget amendments, encumbrances, & capital projects appropriations carried forward from previous fiscal year(s)

Personnel cost savings were primarily due to vacant authorized positions, most of which were in the Police Department. Recent internal and State-wide reports have highlighted the increased competition to attract and retain law enforcement personnel. This trend slowed the Police Department's hiring progress resulting in temporary budgetary savings.

Through continued fiscal prudence, Maintenance & Operations ("M&O") savings occurred in various accounts, particularly in Professional Services; Contract Services; and Training, Travel

& Subsistence. The variance in “Other Expenditures” results from savings in Unemployment Insurance, Contributions and Special Payments (e.g., Wellness Program, Successor Agency Property Management, etc.), and the Provision for Contingency account, which is used to provide funding for various small unanticipated expenses not attributable to a specific department.

Transfers In/Out

While technically not revenues and expenditures (and, hence, not shown above), transfers in and out of the General Fund contribute to fund balance increases and decreases, respectively. Transfers out from the General Fund were approximately \$141,580 less than their budgeted total. No transfers into the General Fund were budgeted, and none occurred.

Net Impact on Fund Balance

In the table below, the revenue and expenditure totals from above are combined with transfers out to arrive at an estimated fund balance gain of \$3.5 million, as compared to the budgeted usage of \$8.8 million.

Fund Balance Change – Budget vs Actual (Estimated)

	Actual (Estimated)	Adjusted Budget	Variance
Revenues	\$ 53,061,308	\$ 50,421,106	\$ 2,640,202
Transfers In	-	-	-
Total Revenues & Transfers In	\$ 53,061,308	\$ 50,421,106	\$ 2,640,202
Expenditures	\$ (45,269,409)	\$ (54,768,114)	\$ 9,498,705
Transfers Out	(4,277,183)	(4,418,763)	141,580
Total Expenditures & Transfers Out	\$ (49,546,592)	\$ (59,186,877)	\$ 9,640,285
Fund Balance Gain/(Usage)	\$ 3,514,716	\$ (8,765,770)	
Beginning Fund Balance	\$ 37,489,043	\$ 37,489,043	
Ending Fund Balance	\$ 41,003,759	\$ 28,723,273	

From the CAFR perspective, the components of the \$3.5 million overall gain in fund balance are shown in the table below. The Unassigned total, \$1,880,297 is the amount estimated to be available to augment the City’s Contingency Reserve or for other uses at City Council discretion.

Components of Fund Balance Change (Estimated)

	2014	2015	Fund Balance Change
Non-spendable	4,952,830	4,963,916	11,086
Restricted	611,779	595,949	(15,830)
Committed	9,085,066	9,085,066	-
Assigned	15,178,285	16,817,448	1,639,163
Unassigned	7,661,083	9,541,380	1,880,297
Total Fund Balances	37,489,043	41,003,759	3,514,716

1st Quarter Fiscal Year 2016

The most useful information at the end of the first quarter (July 1 through September 30) is a comparison of the fiscal-year-to-date totals of the City's major revenue sources and expenditure categories for the period for the current and prior fiscal years. This information for the current and previous fiscal years is summarized in the tables below.

Revenues**1st Quarter Revenue Comparison**

Revenue Source	FY 15	FY 16
Sales & Use Tax	\$ 1,151,922	\$ 1,197,705
District Transactions & Use Tax	1,044,252	907,602
Property Tax	44,613	43,475
Property Tax in Lieu of VLF	-	-
Property Tax in Lieu of Sales Tax	-	-
Other Revenue	1,811,987	1,797,431
Total	\$ 4,052,774	\$ 3,946,213

At this early point of the fiscal year, the ability to project year-end revenue is limited. Some facts are known, however. The decrease in fiscal-year-to-date District Transactions & Use Tax revenue is attributable to a lower "make-up" distribution received from the State during the first quarter of Fiscal Year 2016 than in the prior fiscal year. These make-up distributions are quarterly payments to account for the shortage of advanced payments for these revenues in relation to actual collections. However, since the make-up distributions received during the first quarter are associated with shortages for their corresponding prior fiscal years, they have no bearing on current-year outcomes. The largest portions of property tax revenues are typically received in December and April, corresponding to tax due dates; therefore, it is normal for this revenue total to be low at this point in the fiscal year, as evidenced by the Fiscal Year 2015 total. Additionally, having received information from the County regarding Fiscal Year 2016 distribution of Property Tax in Lieu of VLF, staff can report that this revenue will be \$5,665,953, \$70,866 below its budget. And, according to the State Department of Finance, Property Tax in Lieu of Sales Tax will be \$3,482,490, exceeding its budget by \$226,861. This is a lesser amount

than was received in Fiscal Year 2015 because this year marks the end of the “triple flip,” the State’s sales tax shifting mechanism whereby one-quarter of the 1% local sales tax has been taken by the State to repay its economic recovery bonds, but was replaced by property tax from each county’s Educational Revenue Augmentation Fund (ERAF). Beginning with Fiscal Year 2017, all of the City’s regular sales tax revenue will be reported in the Sales & Use Tax account.

Expenditures

1st Quarter Expenditure Comparison

Expenditure Type	FY 15	FY 16
Personnel Services	\$ 6,255,001	\$ 6,353,568
Maintenance & Operations	437,252	493,407
Other Expenditures	2,376,485	2,710,848
Total	\$ 9,068,738	\$ 9,557,823

As with revenues, staff cannot precisely project year-end expenditure totals; however, some observations can be made, given information available. M&O cost savings are again likely in Fiscal Year 2016, although the savings margin (budget vs actual) is likely to be smaller than in recent years, since these expenses are ahead of last year’s pace, both in actual total and in relation to their respective budgets, and due to the implementation of budget measures designed to improve expenditure projections appropriation(s growth). Conversely, personnel costs, while currently only marginally higher than Fiscal Year 2015’s at the same point and lower in relation to budget, cannot be assumed to end the year under budget. Labor negotiations with the City’s represented public safety groups (Fire and Police) have not concluded, and consistent with the City’s practice, the additional potential costs associated with their respective collective bargaining agreements have not been budgeted. In addition, it is expected several vacant positions will be filled by the end of the current fiscal year, some before the end of the second quarter.

Staff will perform additional analyses of both revenues and expenditures, including the impact of public safety labor negotiations, if complete, and return with more detailed information in the mid-year budget report.

Budgetary Outlook

While the Fiscal Year 2016 Adopted Budget for the City’s General Fund projects revenues will exceed operating appropriations by \$188,003, \$1.1 million of the City’s revenues for the year are a one-time “bump” due to the timing of the discontinuation of the State’s “triple flip” sales tax mechanism. Additional public safety-related labor costs are likely to be significant with expected increases in pension contribution rates having a compounding effect on those costs. And the City’s newly-budgeted support of the Housing Choice Voucher Program to offset the program’s structural deficit; an additional ongoing \$500,000 appropriation to meet San Diego County’s “maintenance of effort” requirement for TransNet allocations; the continued

replacement of aging fleet vehicles; and deferred maintenance needs will create additional pressure on future budgets.

Fortunately in November 2014, the City's District Tax received voter approval for a twenty-year extension to September 2036. While it is a significant source of revenue and is expected to grow modestly over time, it provides no new revenue to meet the challenge of balancing the Fiscal Year 2017 and future year budgets.

Conclusion

As discussed above, the City's financial operating results for Fiscal Year 2015 were positive with revenues surpassing projections and expenditures in all major categories ending the year well below budget. Thus, the fund balance of the General Fund grew. But while over-realized revenues and fiscal prudence played a role in this outcome, it was primarily driven by events that are not anticipated to continue at the same levels, if at all, including the unbudgeted one-time revenues noted above and unspent capital appropriations. Other factors likely to affect fund balance in the future include the following:

- Actuarial adjustments by the California Public Retirement System (CalPERS) are estimated to require increases in the City's employer contribution to employee pension funds into the foreseeable future. For Fiscal Year 2017, the City's contribution is estimated to increase by 2.651% of payroll over the Fiscal Year 2016 rate for miscellaneous employees and by 2.827% for public safety employees. Contribution rates currently are projected to reach 31.7% and 52.1% of payroll for miscellaneous employees and public safety employees, respectively, in Fiscal Year 2021.
- According to the City's health insurance broker, health insurance premiums for the upcoming plan year currently are expected to increase by 7.8%. This follows an 8.9% in the current plan year. While premium increases are shared by City employees, this growth is significant.
- By Council Policy, the City maintains a series of reserves. Staff continually reviews current reserve levels, as well as the inventory of deferred maintenance and deferred equipment replacement. A facilities needs assessment currently is being conducted, and staff is developing plans to create a Facilities Maintenance Fund with an initial cash infusion from balances available in other funds and to enhance the balance of the City's Liability Insurance and Workers' Compensation Reserves with the goal achieving the target levels of said reserves in accordance with the schedule delineated in Council Policy # 201, "Maintenance of Reserve Funds." Recommendations in these areas are expected to be brought forward in Fiscal Year 2017.

RECOMMENDATIONS

Accept this staff report.

The following page(s) contain the backup material for Agenda Item: Report providing additional information and seeking direction regarding cablecasting of City of National City City Council and Planning Commission meetings, and public service messages.
(MIS)

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. |

ITEM TITLE:

Report providing additional information and seeking direction regarding cablecasting of City of National City City Council and Planning Commission meetings, and public service messages.

PREPARED BY: Ron Williams

DEPARTMENT: MIS

PHONE: 336-4373

APPROVED BY: 

EXPLANATION:

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO.

APPROVED:  _____ **MIS**

There is no fiscal impact at this time.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, is not subject to environmental review.

ORDINANCE: INTRODUCTION: ☐ FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Provide direction to staff

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

Staff Report



City Council Staff Report

December 15, 2015

ITEM

Staff Report: Report providing additional information and seeking direction regarding cablecasting of City of National City City Council and Planning Commission meetings, and public service messages.

BACKGROUND

At the September 15, 2015 City Council meeting, staff presented agenda item #27 (*Report seeking direction on consideration of cablecasting of City of National City City Council meetings, other City of National City public meetings and public service messages*).

Staff sought direction with regards to the following:

Cablecast Options

1. Maintain status quo and not implement cablecasting as recommended by staff.
2. Establish a full-time National City PEG feed. An active PEG channel must provide at least eight (8) hours of programming per day. The City would either have to dedicate a staff position in whole or in part to programming 56 hours of air time each week. This can be accomplished through the live and repeat broadcasting of City Council and Planning Commission meetings¹. New, informational programming such as introductions to the various services provided by the City can also be created and programmed. First year estimated cost is \$144,887 with an annual recurring cost of \$82,300.
3. Use the County's PEG feed as an alternative to maintaining full-time local programming, National City could choose to switch in the County's PEG programming. In doing so, the feed would switch to National City during meetings to be broadcast and switch back to County programming at the conclusion thus eliminating the need for more extensive local programming. First year estimated cost is \$102,487 with an annual recurring cost of \$38,400.

¹ The Oversight Board was not included given that by law it will phase out in June 2016. This board can be added at an additional cost of \$500 per meeting.

Staff Report – Report providing additional information and seeking direction regarding cablecasting of City of National City, City Council and Planning Commission meetings, and public service messages.
December 15, 2015

Cablecast Funding

As discussed in the September 15, 2015 report to City Council, should the City Council decide to pursue cablecasting, the cost would have to be supported by the General Fund in full or through a combination of General Fund (staff costs) and a Public, Educational, and Governmental (PEG) fee passed through to Cox Cable subscribers (cable feed, equipment, maintenance, and production costs).

Request for Additional Information

Members of the City Council requested staff report back with the following additional information:

1. Webcasting Metrics
2. Cable Casting Survey
3. YouTube Channel Poll.

The cablecasting staff report previously presented to Council can be found in Attachment 3.

DISCUSSION

Webcasting Metrics

National City utilizes Granicus.com to webcast (live stream/archive) City Council, Planning Commission, and Oversight Board Meetings¹. The requested webcasting metrics for Fiscal Years 15 and 16 were obtained from the webcasting portal, <http://nationalcity-ca.granicus.com>.

National City FY 15 Live Stream Views - 1388

National City FY 16 (7/1/15 – 11/30/15) Live Stream Views - 400

Cable Casting Survey

Staff surveyed National City residents using online survey website, www.SurveyMonkey.com. The survey was conducted in English and Spanish. Online outreach was conducted via the City's website and social media. Hard copies were provided at neighborhood council meetings. The number of survey respondents was not high enough to qualify as scientific.

- There were 150 respondents to the first question (*Are you a National City Resident?*). Sixty-four percent (64%), or ninety-six (96) survey respondents answered yes. If respondents answered no, the survey was terminated to ensure only National City residents were being surveyed.
- Fifty-nine percent (59%), or forty-six (46) survey respondents were Cox cable subscribers.
- Eighty-seven percent (87%), or forty eight (48) survey respondents expressed interest in watching a council meeting on cable television.
- Fifty-five percent (55%), or fifty-one (51) survey respondents expressed a preference for watching City Council meetings on television versus the internet.

The complete results of the survey can be found in Attachment 1.

Staff Report – Report providing additional information and seeking direction regarding cablecasting of City of National City, City Council and Planning Commission meetings, and public service messages.
December 15, 2015

YouTube Channel Poll

Staff polled various cities in San Diego County to determine which cities created official YouTube channels. Eleven cities in San Diego County have official YouTube Channels. YouTube is a video-sharing website containing video content uploaded by registered users. Registered users can create channels to host video content easily searchable using metadata tags.

Video-sharing services have gained popularity in recent years because they provide a remotely-hosted (not on local network infrastructure) data store for large, bandwidth-intensive video files. YouTube would not provide a viable alternative to cablecasting as it is primarily used to store video content, accessible via internet web browsers. However, staff will continue to explore this as an additional means of communication and outreach.
The results of the survey can be found in Attachment 2.

RECOMMENDATION

It is staff's recommendation that the City not pursue cablecasting. However, if City Council desires to implement cablecasting in the alternative, staff recommends the following:

1. Adopt Option 2, utilizing the County feed at a cost of \$102,487 in the first year, with an ongoing cost of \$38,400 per year thereafter for the cablecasting of City Council and Planning Commission meetings. Should the City Council select this option, staff will return with a budget request at a future meeting.
2. Staff recommends establishing a new ordinance to implement a one percent (1%) PEG fee and to collect sufficient fees to pay for program implementation (i.e. the purchase and installation of equipment, and PEG fee charges) prior to execution.

ATTACHMENTS

1. National City Resident Survey Results
2. Cablecast/Webcast/PEG/YouTube Channel Poll, San Diego County
3. September 15, 2015 Staff Report



National City Survey (Cable Casting)

1. Are you a National City Resident?		
Answer Options	Response Percent	Response Count
Yes	64.0%	96
No	36.0%	54
<i>answered question</i>		150
<i>skipped question</i>		0

2. To which television service provider do you currently subscribe?		
Answer Options	Response Percent	Response Count
Cox Cable	59.0%	56
Satellite (Dish, DIRECTV, etc.)	22.1%	21
I do not have a television service	16.8%	16
Other (please specify)	2.1%	2
<i>answered question</i>		95
<i>skipped question</i>		55

3. Would you watch National City City Council meetings on cable television if this service was available?		
Answer Options	Response Percent	Response Count
Yes	87.3%	48
No	12.7%	7
<i>answered question</i>		55
<i>skipped question</i>		95

4. Are you aware that City Council meetings are available to watch on the internet?		
Answer Options	Response Percent	Response Count
Yes	39.4%	37
No	60.6%	57
<i>answered question</i>		94
<i>skipped question</i>		56

5. Have you watched a City Council meeting on the internet?

Answer Options	Response Percent	Response Count
Yes	19.1%	18
No	80.9%	76
<i>answered question</i>		94
<i>skipped question</i>		56

6. Which method would you prefer to watch City Council Meetings?

Answer Options	Response Percent	Response Count
Television	54.8%	51
Internet	45.2%	42
<i>answered question</i>		93
<i>skipped question</i>		57

7. In the last 12 months, please indicate which events you have attended.

Answer Options	Response Percent	Response Count
City Council Meeting	37.6%	35
City Board & Commission Meetings	17.2%	16
Community Workshops	26.9%	25
None of the above	49.5%	46
Other (please specify)	8.6%	8
<i>answered question</i>		93
<i>skipped question</i>		57

8. What is your age group?

Answer Options	Response Percent	Response Count
20-29 years old	14.0%	13
30-39 years old	16.1%	15
40-49 years old	19.4%	18
50-59 years old	21.5%	20
60-69 years old	19.4%	18
70 years or older	7.5%	7
Other (please specify)	2.1%	2
<i>answered question</i>		93
<i>skipped question</i>		57

9. Please rank which forms of media you would like to receive National City updates from.

Answer Options	1	2	3	4	5	6	N/A	Response Percent	Response Count
National City Website	29	23	15	8	4	2	11	31.52%	92
Facebook	24	17	10	5	11	4	21	26.10%	92
Twitter	4	5	10	10	9	24	30	4.35%	92
Cable Television Broadcast	13	12	20	23	11	2	11	14.13%	92
National City Email Newsletter	19	25	14	12	9	4	9	20.65%	92
Neighborhood Councils	1	8	17	19	23	11	13	1.09%	92
<i>answered question</i>									92
<i>skipped question</i>									58



Cablecast Poll San Diego County

City	Cablecast	Webcast	PEG Fee	Official YouTube Channel	Comment
Carlsbad	√	√	√	√	
Chula Vista	√	√	√	√	
Coronado	√	√	√		
Del Mar	√	√	√		
El Cajon	√		√		
Encinitas	√	√	√	√	
Escondido	√	√	√	√	
Imperial Beach	√	√	√	√	
La Mesa	√		√	√	
Lemon Grove					Audio only
National City		√			
Oceanside	√	√	√	√	Recording only (no live streaming)
Poway	√	√	√	√	
San Diego	√	√	√	√	
San Marcos	√	√	√		
Santee				√	Audio only
Solana Beach	√	√	√		
Vista	√	√	√	√	Recording only (no live streaming)



City Council Staff Report

September 15, 2015

ITEM

Staff Report: Report seeking direction on consideration of cablecasting of City of National City, City Council meetings, other City of National City public meetings and public service messages.

BACKGROUND

Consistent with the City Council's strategic objective to expand public access to City services and information, organization wide staff actively seeks to identify and implement measures that will enhance our ability to provide members of the public with access to timely information in an efficient and cost effective manner. Specifically related to City Council meetings these efforts include: the placement of a hard copy of the City Council agenda on the City's public noticing board at City Hall; the availability of a public hard copy binder of the City Council agenda and all available back up materials; and the posting of the City Council agenda and all available back up materials on the City's website. This pre-meeting dissemination of information is made available no less than 72 hours in advance of a regular noticed meeting. The actual City Council meetings are live streamed on the internet (webcast) with access available from desktop computers, laptops, tablets and smart phones. Afterward, video recordings of the meetings and meeting minutes are archived and available on the City's website. Information related to Planning Commission and Oversight Board to the Successor Agency meetings is disseminated in this same manner.

At the request of members of the City Council through the City Manager, staff has recently began a review of cablecasting as another means of providing access to information. This report provides an update on staff's research in this regard and seeks formal direction on whether or not to pursue this additional mode of information dissemination.

DISCUSSION

Cablecasting is the use of cable broadcasting channels. As required by the Digital Infrastructure and Video Competition Act of 2006 (DIVCA), all state video franchise holders (cable providers) are required to designate at least three public, educational, and governmental (PEG) access channels for non-commercial programming, including the transmission of a meeting or proceeding of any local, state, or federal governmental entity. PEG channels are carried on the provider's basic service tier to ensure that all subscribers have access to PEG programming. In order to view a cablecast, individuals must have access to a television, computer or mobile

device (i.e. laptop, tablet or smart phone) that subscribes to cable television broadcasting. Cox Communication is the cable television provider for National City households and businesses. According to the most recent data available through SANDAG, there are 15,787 housing units in National City. There are approximately 3,000 are current Cox Cable subscribers in National City in total (households and businesses combined). As such, cablecasting would reach less than 19% of National City households. A count of residential subscribers, only was not available.

In terms of technology and its ability to enhance communication, cablecasting as a medium was developed and has been available longer than webcasting. Webcasting, a medium currently used by the City of National City is a next generation platform with the ability to reach a broader audience at a lower cost¹. County-wide, fifteen (15) of the eighteen (18) local cities cablecast; and fourteen (14) webcast. Thirteen cities both cablecast and webcast. Those that cablecast did so prior to the ability to webcast. Because cablecasting was already in place its use was continued alongside webcasting. However, cablecasting is not the current industry standard. A table of cablecasting and webcasting by city can be found in Attachment 1.

Should the City of National City choose to broadcast programming on a PEG access channel, there are two options for doing so:

1. Establish a full-time National City PEG feed. An active PEG channel must provide at least eight (8) hours of programming per day. The City would either have to dedicate a staff position in whole or in part to programming 56 hours of air time each week. This can be accomplished through the live and repeat broadcasting of City Council and Planning Commission meetings. New, informational programming such as introductions to the various services provided by the City can also be created and programmed.

The cost of maintaining a full-time feed is \$14,400 annually plus a one-time fee of \$2,500 in the first year for a total first year cost of \$16,900.

2. Use the County's PEG feed. As an alternative to maintaining full-time local programming, National City could choose to switch in the County's PEG programming. In doing so, the feed would switch to National City during meetings to be broadcast and switch back to County programming at the conclusion thus eliminating the need for more extensive local programming.

The cost of using the County's PEG feed is the same \$14,400 annually plus a one-time fee of \$4,000 for a total first year cost of \$18,400.

The City of National City does not currently have the infrastructure in terms of equipment and staffing necessary for cablecasting.

¹ The annual cost of webcasting is \$17,000.

- Equipment – the council chambers is currently equipped with one camera that can be controlled by the City Clerk during City Council meetings. It is recommended that three high definition cameras be installed should the City decide to cablecast. The estimated cost for the purchase of the equipment is \$60,087: cameras and switching equipment \$52,587; construction \$7,500.
- Personnel (Programming) – Should the City determine to establish a full-time PEG feed, staff would have to be identified and dedicated to managing this function. Required staff time is estimated to be equal to a half-time position (0.5 full-time equivalent). The cost of staffing is estimated to be \$43,900, annually.
- Personnel (Video Production) – The City of National does not have the internal expertise to manage the production of a cable broadcast. Production staff is needed to run the “control room” during the meetings. Third party video production services are estimated at \$500 per meeting or \$24,000 per year. The estimated annual cost assumes the production of all City Council and Planning Commission meetings at two meetings each per month. Assuming the City Council continuation of a summer one month legislative recess and the suspension of one meeting in December due to the labor negotiated closure, the estimated cost includes up to three City Council workshops. The Oversight Board was not included in the estimate given that, by law it will phase out in June, 2016. Should a PEG program be established prior to the phase out, Oversight Board meetings could be added at an additional cost of \$500 per meeting.

The total first year cost is estimated at \$102,487 to \$144,887, with an annual recurring cost of \$38,400 to \$82,300². All of these costs, with the exception of the estimated \$43,900 in staff costs can be paid for through the initiation of a PEG fee. DIVCA allows local agencies to charge a fee of up to one percent (1%) of the revenues derived from the operation of the cable provider’s network to provide cable service within the jurisdiction. This fee is passed on to local cable subscribers. Based on the estimated number of local subscribers, the annual PEG fee is estimated to be \$95,000. The fee per subscriber is estimated at \$2.64 per month.

	Option 1 (Full-time National City Feed)	Option 2 (County Feed)
One-time Fee	\$2,500	\$4,000
Annual Fee	\$14,400	\$14,400
Equipment	\$60,087	\$60,087
Video Production	\$24,000	\$24,000
Additional Staff	\$43,900	N/A
Total First Year	\$144,887	\$102,487

² The \$82,300 is inclusive of the cost of a half-time position associated with a full-time City of National City feed.

RECOMMENDATION

It is staff's recommendation that the City not pursue cablecasting. As discussed above, cablecasting will reach less than 19% of the households in National City. The cost of cablecasting would have to be supported by the General Fund in full or through a combination of General Fund (staff costs) and a PEG fee passed through to Cox Cable subscribers (cable feed, equipment, maintenance, and production costs). Further, cablecasting is not the current industry standard for communication.

However, staff recognizes that there is a percentage of the National City population that would like to follow City Council meetings, but may not have the ability to attend in person or access to a computer. Therefore should the Council desire to proceed with cablecasting, staff recommends, in the alternative directing staff to move forward with Option 2 utilizing the County feed at a cost of \$102,487 in the first year, with an ongoing cost of \$38,400 per year thereafter.

If direction is for Option 2, staff seeks further direction regarding funding. The funding options are 1) to absorb the costs in General Fund; 2) establish a one percent (1%) PEG fee to collect sufficient funds to pay for program implementation (i.e. the purchase and installation of equipment, and PEG fee charges) prior to execution.

Additional direction/input: should the City Council desire public input, a survey has been drafted for this purpose (attached).

ATTACHMENTS

1. Cablecast/Webcast PEG Survey, San Diego County
2. National City Resident Survey (Draft)



Cablecast Survey San Diego County

City	Cablecast	Webcast	PEG Fee	Comment
Carlsbad	√	√	√	
Chula Vista	√	√	√	
Coronado	√	√	√	
Del Mar	√	√	√	
El Cajon	√		√	
Encinitas	√	√	√	
Escondido	√	√	√	
Imperial Beach	√	√	√	
La Mesa	√		√	
Lemon Grove				Audio only
National City		√		
Oceanside	√	√	√	Recording only (no live streaming)
Poway	√	√	√	
San Diego	√	√	√	
San Marcos	√	√	√	
Santee				Audio only
Solana Beach	√	√	√	
Vista	√	√	√	Recording only (no live streaming)



Cable Casting Survey

National City residents, please help us better serve you by answering the following questions.

1. Are you a National City Resident?

Yes

No

2. To which television service provider do you currently subscribe?

Cox Cable

Satellite (Dish, DIRECTV, etc.)

I do not have a television service

Other (please specify)

3. Are you aware that City Council meetings are available to watch on the internet?

Yes

No

4. Have you watched a City Council meeting on the internet?

Yes

No

5. Would you watch National City City Council meetings on cable television if this service was available?

Yes

No

6. Which method would you prefer to watch City Council Meetings?

Television

Internet

7. In the last 12 months, please indicate which events you have attended (check all that are applicable).

City Council Meeting

City Board & Commission Meetings

Community Workshops

None of the above

Other (please specify)

8. What is your age group?

19 or under

20-29

30-39

40-49

50-59

60-69

70 or older

9. Please rank your preferred methods of receiving National City updates in order of preference.

National City Website

Facebook

Twitter

Television Broadcast

National City Email Newsletter

Neighborhood Councils

Thank you for taking the time to complete this survey and help us better understand the needs of the community. Please feel free to contact us if you have any questions.

The following page(s) contain the backup material for Agenda Item: Update on timing, public hearing, and introductions of ordinances regarding a pending amendment to Title 18 (Zoning) Chapter 18.30.340 of the National City Municipal Code (Medical marijuana dispensaries) to address cultivation of marijuana, specifically s


**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. |

ITEM TITLE:

Update on timing, public hearing, and introductions of ordinances regarding a pending amendment to Title 18 (Zoning) Chapter 18.30.340 of the National City Municipal Code (Medical marijuana dispensaries) to address cultivation of marijuana, specifically seeking to adjourn to January 5, 2016 or other date thereafter for the public hearing and introduction of ordinances. (Case File No. 2015-15 A) (Planning)

PREPARED BY:  Martin Reeder, AICP

DEPARTMENT: Planning

PHONE: 619-336-4313

APPROVED BY: 

EXPLANATION:

An Ordinance must be adopted at a regularly scheduled City Council meeting. The introduction of an Ordinance may occur no sooner than five days prior to adoption; therefore, a public hearing and introduction of this item must occur no later than January 12, 2016. Staff is recommending that the regularly scheduled meeting of January 5th be held so that the public hearing and introduction(s) can occur at that meeting. Staff anticipates this item and possibly one or two other planning items (notices of decision) on the January 5th agenda.

The attached Background Report discusses the item in detail.

FINANCIAL STATEMENT:

ACCOUNT NO. |

APPROVED: _____ Finance

APPROVED: _____ MIS

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: ☐ FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Staff recommends that the City Council adjourn tonight's meeting to the regular meeting of January 5, 2016

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Background Report

BACKGROUND REPORT

On October 9, 2015, Governor Brown approved the Medical Marijuana Regulation and Safety Act ("The Act"), which establishes comprehensive, statewide licensing regulations for commercial medical marijuana activity that respect local control, protect patients, promote public safety, and preserve the environment. The Act is comprised of three separate bills: Senate Bill 643 (McGuire), Assembly Bill 266 (Bonta, Cooley, Lackey and Jones-Sawyer), and Assembly Bill 243 (Wood). Only AB 243 and AB 266 affect local regulations. In general, AB 243 relates to medical marijuana cultivation; and, AB 266 relates to deliveries and mobile dispensaries.

AB 243 provides that no person or entity may cultivate medical marijuana without a state license (which is a program to be developed under the new law), and a license, permit or other entitlement from the local jurisdiction in which the cultivation would occur. Under AB 243, a local agency may issue or deny permits for the cultivation of medical marijuana provided any conditional use permit is at least as stringent as the State's licensing requirements (which are yet to be developed) and the local agency must have land use regulations or ordinances in place no later than March 1, 2016, or the State becomes the sole licensing authority for medical marijuana cultivation in that local jurisdiction.

The Planning Commission initiated a Municipal Code Amendment to address marijuana cultivation on November 2, 2015. Staff was asked to return with options for both the regulation and prohibition of medical marijuana cultivation. The Commission conducted a Public Hearing at a Special Meeting held on November 23, 2016, where staff recommended prohibition due to the short timeframe of the State legislation. The Planning Commission adopted a resolution recommending adoption of an Ordinance regulating medical marijuana modeled on San Diego regulations. Staff returned with a draft Ordinance for regulation at the public hearing held on December 7, 2016. The Planning Commission made a recommendation to the City Council to adopt an Ordinance regulating medical marijuana cultivation.

The recommendation by Planning Commission would normally be forwarded to the City Council at their next regular meeting. However, the City Clerk was suggesting dispensing with the next regular meeting (January 5, 2016) due to normal noticing and agenda packet preparation timelines occurring during the scheduled furlough (December 21 – December 31, 2015). The next regularly scheduled meeting would then have been January 19, 2016, which would not provide enough time to adopt the Ordinance in time for it to be in place by March 1, 2016 (Ordinances take effect 30 days after adoption), as the following meeting would have been February 2, 2016.

In order for an Ordinance to be in place by the March 1, 2016 deadline imposed by the State, adoption of the Ordinance must occur at a regular City Council meeting. The only meeting available that would meet this deadline would be January 19, 2016; therefore an additional meeting would need to be held prior to that meeting. The normally scheduled meeting of January 5, 2016 would suffice in this regard; therefore, staff is recommending that City Council adjourn the meeting of December 15, 2015 to the regularly scheduled City Council meeting of January 5, 2016 as normal. The intent is for a public hearing to be held on that date and an Ordinance introduced. This will allow for adoption of an Ordinance at the regular meeting of January 19, 2016, which would cause the Ordinance to be in place on February 18, 2016, thus meeting the State deadline.

The following page(s) contain the backup material for Agenda Item: Resolution of the Community Development Commission-Housing Authority of the City of National City authorizing the Executive Director to execute an Exclusive Negotiating Agreement by and between the Community Development Commission-Housing Authority of the

**CITY OF NATIONAL CITY, CALIFORNIA
COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY
COUNCIL AGENDA STATEMENT**

MEETING DATE: December 15, 2015

AGENDA ITEM NO. |

ITEM TITLE:

Resolution of the Community Development Commission-Housing Authority of the City of National City authorizing the Executive Director to execute an Exclusive Negotiating Agreement by and between the Community Development Commission-Housing Authority of the City of National City and La Maestra Family Clinic, Inc., a California non-profit, public benefit corporation, for the development of a 1.47 acre property located between Eta Street and Bucky Lane on North Highland Avenue in National City.

PREPARED BY: Carlos Aguirre, Community Dev. Mgr.

DEPARTMENT: Housing, Grants, & Asset Management

PHONE: 619-336-4391

APPROVED BY: 

EXPLANATION:

On February 24, 2015, La Maestra Family Clinic, Inc., a California non-profit, public benefit corporation ("La Maestra"), presented a proposal to the Community Development Commission-Housing Authority of the City of National City ("Housing Authority") proposing to develop a mixed-use project on a vacant Housing Authority-owned site, also known as the Purple Cow ("Purple Cow"), on North Highland Avenue. La Maestra also proposed to enter into a joint venture with the owners of the adjacent Park Villas Apartments to develop nearly an entire block facing North Highland Avenue. On May 19, 2015, staff introduced a conceptual plan to the Board of Commissioners ("Board") of the Housing Authority. The Board directed staff to return with additional information regarding the conceptual plan. On August 27, 2015, La Maestra submitted an updated proposal that included additional project information, estimated development costs, a conceptual site plan, and resumes of the development team. On October 6, 2015, staff received further direction from the Board to pursue entering into an Exclusive Negotiation Agreement ("ENA") with La Maestra for the development of the Purple Cow site. The ENA is attached for consideration.

FINANCIAL STATEMENT:

APPROVED:  Finance

La Maestra will pay \$25,000 to the Housing Authority when the ENA is executed to partially pay for Housing Authority costs and pay an additional \$25,000 upon execution of a ground lease or other mutually acceptable agreements necessary for construction at the Property.

APPROVED: _____ MIS

ACCOUNT NO.

ENVIRONMENTAL REVIEW:

The action is not considered a project as defined by the California Environmental Quality Act (CEQA), and is therefore not subject to CEQA review.

ORDINANCE: INTRODUCTION: ☐ FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Adopt the resolution.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Attachment No. 1: Exclusive Negotiating Agreement

**EXCLUSIVE NEGOTIATING AGREEMENT
(La Maestra-Purple Cow-North Highland)**

This Exclusive Negotiating Agreement ("Agreement") is dated as of the 15th day of December, 2015, by and between the Community Development Commission-Housing Authority of the City of National City ("CDC-HA") and La Maestra Family Clinic, Inc., a California nonprofit, public benefit corporation ("Developer").

RECITALS

A. The CDC-HA owns that certain approximately 1.3 acre parcel of real property located on North Highland Avenue between Eta Street and Bucky Lane in the City of National City, County of San Diego, California, which is sometimes referred to as the "Purple Cow" and is more particularly described on the Site Legal Description attached hereto as Exhibit A hereto ("Property").

B. Developer desires to develop the Property generally as set forth in that certain letter (and enclosures) dated as of August 26, 2015, from Zara Marselian, President and CEO of Developer, to Leslie Deese, City Manager of the City of National City, a copy of which is attached hereto to as Exhibit B ("Developer Proposal"). The CDC-HA and Developer desire to negotiate any and all agreements reasonably necessary for the CDC-HA to ground lease the Property to the Developer and as generally set forth in the Developer Proposal ("Project").

C. The purpose of this Agreement is to establish a period during which Developer shall have the right to exclusively negotiate with the CDC-HA the terms of the Project with respect to the Property.

NOW, THEREFORE, Developer and the CDC-HA, hereby agree as follows:

1. Negotiating Period. The CDC-HA agrees to exclusively negotiate with Developer and Developer agrees to exclusively negotiate with the CDC-HA regarding the terms of any and all agreements reasonably necessary respect to the Project for a one (1) year period from the date first set forth above ("Negotiating Period"). The CDC-HA and Developer shall negotiate diligently and in good faith to carry out the obligations of this Agreement during the Negotiating Period.
2. Site Control. The Property is currently owned by the CDC-HA.
3. Costs and Expenses. Upon the execution and delivery of this Agreement, the Developer shall pay the CDC-HA \$25,000.00, to partially pay the CDC-HA's anticipated costs with respect to the Project. In addition, if both the CDC-HA and Developer are satisfied with the proposed Project, and enter into a ground lease or other mutually acceptable agreements necessary for the construction at the Property, then the Developer shall pay the CDC-HA \$25,000.00, to partially pay the CDC-HA's costs with respect to the Project. Except as otherwise set forth herein, each party shall be responsible for its own costs and expenses in connection with any activities and

negotiations undertaken in connection with the performance of its obligations under this Agreement.

4. Developer Submissions. Developer agrees that within 90 days, Developer shall submit to the CDC-HA for review, a proposal for development of the Property and the Project, with supporting documents. In addition, Developer will provide the CDC-HA with the following documents, reports and information prior to the expiration of this Agreement:

(a) Basic floor area ratios or a potential unit mix by number of bedrooms, proposed income targeting, proposed construction work with preliminary cost estimates, and site amenities, with a schedule for implementation.

(b) A proposed schedule for development of the Project.

(c) A financial pro forma which contains: (i) a projected development budget for the Project, (ii) a projected sources and uses analysis, (iii) a 15-year cash flow analysis, (iv) a proposed rent schedule and utility allowance schedule, and (v) a projected operating budget for the Project.

(d) Preliminary evidence of conventional construction and permanent financing options.

(e) The name and qualifications of the architect which Developer proposes to use, if any. The CDC-HA will approve or disapprove the proposed architect in its sole and absolute discretion.

(f) The name and qualifications of the management agent that Developer proposes to use. The CDC-HA will approve or disapprove the proposed management agent in its sole and absolute discretion.

5. Approval and Negotiation of Agreements. If both the CDC-HA and Developer are satisfied with the proposed Project, the CDC-HA and Developer shall seek in good faith to negotiate and draft any and all mutually acceptable agreements reasonably necessary for the Project. However, by entering into this Agreement, the Parties are not contractually bound to enter into any further agreements.

6. Termination/Expiration of Agreement. Except as provided in Section 10, below, or if this Agreement is extended or amended by mutual written agreement of the parties, if at the end of the Negotiating Period, the CDC-HA and Developer have not agreed upon a mutually acceptable agreements reasonably necessary for the development of the Project, then this Agreement shall terminate.

7. Cooperation. The CDC-HA agrees to cooperate with Developer in supplying financial institutions with appropriate information, if available and not otherwise privileged, to facilitate the Developer's financing for the Project. The CDC-HA shall also cooperate with Developer's professional consultants and associates in providing them with any information and assistance

reasonably within the capacity of the CDC-HA to provide in connection with the proposed Project.

8. Nondiscrimination. Developer shall not discriminate against nor segregate, any person, or group or persons on account of sex, race, color, marital status, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Project, nor shall Developer establish or permit any such practice or practices of discrimination or segregation in the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Project.

9. Environmental Requirements. Certain state and local environmental requirements (including, but without limitation, the California Environmental Quality Act of 1970, Public Resources Code Section 21000, et seq.) may be applicable to the proposed Project. Pursuant to such requirements, certain environmental documents may be required to be prepared and certified for the proposed Project.

10. Inspection of the Property. Developer and its agents, representatives, consultants and contractors may enter upon the Property, upon not less than forty-eight (48) hours advance notice to the CDC-HA, solely for the purpose of conducting visual, non-invasive inspections of the Property. Developer and each of its agents, representatives, consultants and contractors entering the Property shall maintain commercial general liability insurance covering such entry, in the amounts of Two Million Dollars (\$2,000,000.00) combined single limit for each occurrence or Four Million Dollars (\$4,000,000.00) general aggregate for bodily injury, personal injury and property damage including contractual liability. Prior to entering upon the Property, the Developer and any of its agents, representatives, consultants and contractors entering upon the Property shall provide, additional insured endorsements naming the CDC-HA and the City of National City as additional insureds. The Developer shall indemnify and defend the CDC-HA, the City of National City and their agents and employees and the Property from and against, and shall hold the CDC-HA, the City of National City and their agents and employees and the Property harmless from, any actions, losses, costs, damages, claims and/or liabilities, including but not limited to, mechanics' and materialmen's liens and attorney fees, proximately caused by the actions of Developer and/or its agents, representatives, consultants and contractors upon the Property. The Developer shall repair any damage caused to the Property by the Developer or its agents, representatives, consultants and contractors. The Developer shall not permit any mechanic's, materialman's, contractor's, subcontractor's or other lien arising from any work done by the Developer or its agents, representatives, consultants and contractors pursuant to this Agreement to stand against the Property. If any such lien shall be filed against the Property, the Developer shall cause the same to be discharged or bonded within ten (10) days after actual notice of such filing, by payment, deposit, bond or otherwise. The Developer's obligations under this Section 10 shall survive the termination or expiration of this Agreement.

11. Address for Notices. Any notices pursuant to this Agreement shall be sent to the following addresses:

To CDC-HA: Community Development Commission-
Housing Authority of the City of National City

1243 National City Blvd.
National City, California 91950
Attn: Executive Director

Copy to: Christensen & Spath LLP
550 West C Street, Suite 1660
San Diego, CA 92101
Attn: Walter F. Spath, Esq.

To Developer: La Maestra Family Clinic, Inc.
4060 Fairmount Avenue
San Diego CA 92105

12. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

13. Amendment of Agreement. No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by the CDC-HA and Developer.

14. Future Agreements to Supersede this Agreement. This Agreement will be superseded, if and when the Developer and CDC-HA approve and execute all mutually acceptable agreements reasonably necessary for the development of the Project.

15. Assignment Prohibited. In no event shall Developer assign or transfer any portion of Developer's rights or obligations under this Agreement without the prior express written consent of the CDC-HA, which consent may be withheld in the CDC-HA's sole and absolute discretion.

16. Time of Essence. Time is of the essence of every portion of this Agreement in which time is a material part.

17. Signature Authority. All individuals signing this Agreement for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, covenant to the CDC-HA that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

CDC-HA:
Community Development Commission-Housing Authority of the City of National City

By: _____
Leslie Deese, Executive Director

APPROVED AS TO FORM:
Christensen & Spath LLP

By: _____
Walter F. Spath III
Special Counsel to the CDC-HA

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

DEVELOPER:

La Maestra Family Clinic, Inc., a California nonprofit, public benefit corporation

By: Zara Marseljan, LMFC Inc.
Print Name: Zara Marseljan, President and CEO
Its: _____

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

Real property in the City of National City, County of San Diego, State of California, described as follows:

PARCEL 1: (APN: PORTION 551-470-43)

THAT PORTION OF LOT 69 OF THE EX-MISSION LANDS OF SAN DIEGO (COMMONLY KNOWN AS HORTON'S PURCHASE), IN THE CITY OF NATIONAL CITY, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 283, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 9, 1878, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF THE PUEBLO OF SAN DIEGO THAT IS 59.50 RODS SOUTH AND 73.80 RODS WEST OF THE NORTHEAST CORNER OF SAID LOT 69; THENCE NORTH 89°40'00" EAST 379.60 FEET TO THE SOUTHEAST CORNER OF LAND DESCRIBED IN DEED FROM CHARLES O. POWERS TO E.F. MCCORMICK RECORDED MAY 2, 1922 IN BOOK 876, PAGE 465 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY; THENCE ALONG THE EAST LINE OF MCCORMICK LAND, NORTH 15°33'00" WEST, 289.00 FEET TO THE MOST NORTHERLY CORNER THEREOF; THENCE ALONG THE NORTH LINE OF SAID LAND, SOUTH 73°27'00" WEST, 76.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE AT RIGHT ANGLES, NORTH 16°33'00" WEST, 48.00 FEET; THENCE SOUTH 73°27'00" WEST, PARALLEL WITH THE NORTH LINE OF SAID MCCORMICK LAND, 295.00 FEET, MORE OR LESS, TO THE EAST LINE OF PUEBLO LANDS OF SAN DIEGO; THENCE ALONG SAID PUEBLO LANDS LINE SOUTH 16°57'00" EAST, 48.00 FEET, TO THE NORTH LINE OF SAID MCCORMICK LAND; THENCE ALONG SAID NORTH LINE NORTH 73°27'00" EAST, 295.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2: (APN: PORTION 551-470-43)

THE NORTHWESTERLY 12 FEET OF THE SOUTHWESTERLY 295 FEET OF ALL THAT PORTION OF LOT 69 OF A PORTION OF THE EX-MISSION LANDS OF SAN DIEGO (COMMONLY KNOWN AS HORTON'S PURCHASE), IN THE CITY OF NATIONAL CITY, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 283, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 9, 1878, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID LOT 69, SOUTH 981.75 FEET AND WEST 1,217.70 FEET FROM THE NORTHEAST CORNER OF SAID LOT; THENCE NORTH 89°40'00" EAST, 379.60 FEET; THENCE NORTH 15°33'00" WEST, 289.00 FEET; THENCE SOUTH 73°27'00" WEST, 371.00 FEET TO A POINT IN SAID

WESTERLY LINE; THENCE SOUTH 16°57'00" EAST, ALONG SAID WESTERLY LINE, 182.20 FEET TO THE POINT OF BEGINNING.

PARCEL 3: (APN: 551-470-15, 551-470-17, 551-470-18, 551-470-19 AND 551-470-48)

THAT PORTION OF LOT 69 OF A PORTION OF THE EX-MISSION LANDS OF SAN DIEGO (COMMONLY KNOWN AS HORTON'S PURCHASE), IN THE CITY OF NATIONAL CITY, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 283, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 9, 1878, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF THE PUEBLO OF SAN DIEGO THAT IS 59.50 RODS SOUTH AND 73.80 RODS WEST OF THE NORTHEAST CORNER OF SAID LOT 69; THENCE NORTH 89°40' EAST 379.60 FEET TO THE SOUTHEAST CORNER OF LAND DESCRIBED IN DEED FROM CHARLES O. POWERS TO E.F. MCCORMICK RECORDED MAY 2, 1922 IN BOOK 876, PAGE 465 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY; THENCE ALONG THE EAST LINE OF SAID MCCORMICK LAND, NORTH 15°33' WEST, 289.0 FEET TO THE MOST NORTHERLY CORNER THEREOF; THENCE ALONG THE NORTH LINE OF SAID LAND, SOUTH 73°27' WEST, 76.00 FEET; THENCE AT RIGHT ANGLES, NORTH 16°33' WEST 48.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 16°33' WEST TO THE NORTH LINE OF LAND DESCRIBED IN DEED FROM JAMES W. POWERS ET UX TO CHARLES O. POWERS RECORDED NOVEMBER 5, 1921 IN BOOK 855, PAGE 428 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY; THENCE WEST ALONG THE NORTH LINE OF LAND SO DESCRIBED IN SAID DEED TO THE NORTHWEST CORNER THEREOF, BEING A POINT IN THE EAST LINE OF THE PUEBLO OF SAN DIEGO; THENCE ALONG SAID PUEBLO LINE SOUTH 16°57' EAST TO INTERSECTION WITH A LINE BEARING SOUTH 73°27' WEST FROM THE TRUE POINT OF BEGINNING; THENCE NORTH 73°27' EAST 295.00 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT A

Letter (and enclosures) from Zara Marselian, President and CEO of Developer to Leslie Deese, City Manager of the City of National City, dated as of August 26, 2015



LA MAESTRA COMMUNITY HEALTH CENTERS

City Heights • El Cajon • National City • Lemon Grove

August 26, 2015

LESLIE DEESE

City Manager

City of National City

140 E. 12th Street

National City, CA 91950

2015 AUG 27 PM 1:26

Subject: LMCHC Proposal to Develop Purple Cow Site

Dear Ms. Deese:

La Maestra Community Health Centers is pleased to present our proposal to partner with the City of National City to develop a mixed-use project on the vacant City-owned site north of Eta Street on Highland Avenue (commonly referred to as the Purple Cow site). The members of the Board of Directors and management staff at La Maestra are committed to working with the City to clean up and develop the long vacant Purple Cow site. That property sits at the gateway into National City from the north. Development of the site and the adjacent property with medical, commercial and affordable multi-family housing will revitalize those properties and serve as a stimulus to revitalization of surrounding properties in National City and San Diego.

This location is special to our organization, as we have operated a Community Health Center near that site and want to continue to serve the residents of National City. However, we need more space and more parking, and there are no viable alternative locations in the vicinity. Development of a new Health Center on the Purple Cow site will allow us to expand our services and do an even better job for our clients and your residents.

We appreciate the support for the project voiced by the Mayor and Council Members, and by staff. As the development process and acquisition of subsidies for affordable housing take a significant amount of time, it is essential to move forward on development of the site as soon as possible.

La Maestra is fully committed to moving forward right now. In this regard, La Maestra is already expending funds, for a prize winning architectural firm, and for the initial members of our development consultant team. We have begun discussions with a lender for predevelopment funds that will allow us to bring on the full team of design, engineering, legal, financial and construction consultants.

The proposal information summary is as follows:

Project Concept

- ✓ Medical offices plus community serving uses.
- ✓ La Maestra Community Health Centers to occupy the medical offices.
- ✓ 63 affordable residential units.
- ✓ Residential units to be a mix of one, two and three bedrooms.
- ✓ Underground parking, substantially more than required.

Building Concept

- ✓ Medical clinic buildings will be three-stories with the majority of the space dedicated for patient care, plus space for administrative, classroom, meeting and other support uses.
- ✓ 18,800 square feet for medical clinic and related community serving uses.
- ✓ 64,316 square feet for the residential units and related facilities.
- ✓ All buildings will be three-stories over an underground parking garage.
- ✓ Proposed space and uses comply with all applicable development regulations; no deviations requested.

4060 Fairmount Avenue, San Diego, CA 92105 • Tel: (619) 584-1612 • Fax: (619) 281-6738

www.lamaestra.org • facebook.com/LaMaestraCHC



LA MAESTRA COMMUNITY HEALTH CENTERS

City Heights • El Cajon • National City • Lemon Grove

Financials

- ✓ Total project development costs = \$27,310,5000 (rounded).

Ground Lease

- ✓ Long-term ground lease.
- ✓ Lease not effective until the project is fully entitled and construction and permanent financing is secured.

In addition, we have been working closely with the partners of the adjacent Park Villas property, and have come to an agreement to enter into a joint venture development of that property for the purpose of providing a new child daycare center, and a 3-story building that will house the Park Villas property management offices, community serving uses including retail space, plus a potential site for a Fire Department emergency response substation. This joint venture will ensure that improvements to both properties are consistent in terms of height, bulk, architectural style and colors, and will include joint development and use of park recreation facilities. This will also allow a mixing of uses between properties, and potential combining of property management and security services.

Finally, we want to make special note of the fact that La Maestra has agreed to include a \$50,000 fee in the project budget to cover the cost of City staff and City consultants' oversight of this large development. We anticipate paying the first half of this fee upon approval of the Exclusive Negotiating Agreement, and the remainder at the start of construction.

We look forward to working with the City of National City on this exciting project. If you have any questions, please contact me at (619) 584-1612.

Sincerely,

Zara Marselian, MA, FACHE
President & Chief Executive Officer

Enclosure

cc: Mayor and Council; B. Raulston; A. Ybarra; C. Silva

La Maestra Residential, Medical & Commercial Mixed-Use Development Proposal

Property location: Highland Avenue Between Delta and Eta Streets
Popularly known as: The Purple Cow Site--former location of the Purple Cow Dairy
Property Owner: National City Community Development Commission
Site Area: 1.47 acres, 64,033 square feet
General Plan Designation: Minor Mixed Use
Zone Classification: MXC-1, Minor Mixed Use Corridor

Project Concept

La Maestra Family Clinic Inc. proposes to build a residential, medical and office mixed-use development on the National City-owned Purple Cow site located on Highland Avenue. The development will be the new location for the La Maestra Community Health Center--National City, a 16,200 square foot facility that will serve the South Region of San Diego County. The existing La Maestra Community Health Center in National City is a smaller facility located at 217 Highland Avenue. A strong focus of La Maestra's work has been service to diverse, low-income populations including veterans and their families, as well as refugees, immigrants and other underserved special populations. The new clinic will continue and expand that effort.

Many of La Maestra's clients, veterans and others, have been impacted by the severe shortage of affordable housing in the region. Affordable housing will be the predominant use in this development. There will be 63 apartments for individuals and families with incomes from 30% to 60% of the Area Median Income, with a priority on veterans and their families along with other underserved special populations.

Development of the Purple Cow site will be coordinated with development on the adjacent vacant property to the south, owned by Park Villas Apartments. That property will be developed through a separate Joint Venture between La Maestra and Park Villas Apartments, with La Maestra as the Managing General Partner. Space will be developed on that site for Park Villas' property management office, a new location for their child daycare center, and other community serving uses that could include an emergency response unit of the Fire Department.

Site Development Concept

Commercial Development along Highland Avenue

The full development on both sites will be comprised of three 3-story buildings along Highland Avenue, plus a 1-story daycare building on Eta Street. The three buildings will have a total of 30,200 square feet of space (18,800 square feet in the two commercial buildings on the Purple Cow site). The Community Health Center will occupy the entire northernmost building on Highland Avenue, with additional medical and non-medical services provided by La Maestra in the middle building, approximately 16,200 square feet of space. In addition to medical space, the middle building will include 2,600 square feet of community serving office space.

Each of La Maestra's health center sites offers a comprehensive range of culturally and linguistically-appropriate services including preventive care, treatment, chronic disease management and essential support services to the diverse, low income, uninsured and underinsured patients who have chosen La Maestra as their health home.

An array of healthcare services will be provided in the new health center, including: outpatient primary care for all ages, OB/Gyn, immunizations, laboratory, pharmacy, dental, vision, mental/behavioral health services (including for PTSD and substance abuse), digital radiology, chronic disease management and care coordination. Health education, eligibility assistance in applying for Medi-Cal, CalFresh, and other programs, access to nutritious food, physical rehabilitation services and a fitness center will also help patients to improve their health.

Each of La Maestra's health centers, including this new site, also offer interpretation, transportation, legal and social advocacy services along with job training and placement, computer classes, financial literacy and small business development services.

The third and southernmost building will house the Park Villas Apartments property management office, and a variety of community-serving office and retail uses. The Park Villas daycare center will move out of apartment space and into a new 4,000 square foot building, freeing up more affordable apartments to rent.

Residential Development

On the east side of the Community Health Center buildings will be the residential structures, 3-story apartment buildings built over a single level of underground parking. The residential component will include 63 apartments in a mix of 1, 2, and 3-bedroom units affordable to individuals and families with incomes from 30% to 60% of the Area Median Income.

The development will have 18 one-bedroom units, 21 two-bedroom units, and 24 three-bedroom units. The 63 apartments and related facilities, including the management office, maintenance room, community room including kitchen facilities, computer center, library, and services offices, will total approximately 64,316 square feet, for a total development of 83,116 square feet. The maximum residential density allowed in the MXC-1 zone is 48 units per acre. With the affordable housing density bonus, 95 units are allowed on the 1.47-acre Purple Cow site. The focus of this development is creating a positive living environment rather than maximizing density.

Parking

All parking for tenants, staff and visitors on the Purple Cow site will be in the single level of underground parking. Tenants, staff and visitors on the Park Villas property will use a surface parking lot.

Project Subsidies

As with all affordable housing developments, this project will require a mix of tax credits, grants, loans, and local contributions to finance the development. The primary source of subsidies will be Federal Low Income Housing Tax Credits, allocated through the State. Grants are available for construction of affordable housing through the State of California's Prop 41 Veterans Housing Funds. A significant local government contribution is required for a competitive Low Income Housing Tax Credit application. This can be accomplished by a City contribution of the Purple Cow property to this project through a long-term lease, with payment to the City from residual receipts. In this way, the City keeps ownership of the land, and receives full payment over time. A portion of the land value can also be counted toward a New Markets Tax Credit project equity contribution for the commercial portion of the development.

Preliminary Site Development Plan

See included site plan maps.

Financial Summary:

Residential Costs **\$20,049,135**

Sources:	Bank Lender	\$ 2,520,702
	Equity-City's Ground Lease Value*	\$ 2,003,328
	Tax Credit Equity	\$12,065,105
	Prop 41 Veterans Housing Funds	\$ 2,560,000
	Fed Home Loan Bank Afford Hsg Prog	\$ 600,000
	CEC Rebate on Photo Voltaic System	\$ 300,000

Financial Summary:

Medical & Office Costs **\$ 7,261,334**

(Purple Cow Site Only)

Sources:	Bank Leverage Lender	\$ 4,109,932
	New Markets Tax Credits Loan/Equity	\$ 1,703,402
	Equity-City's Ground Lease Value*	\$ 573,000
	Owner's Cash Contribution	\$ 250,000
	Grant Funds - Medical Facilities	\$ 625,000

Total Development Cost, Purple Cow site: \$27,310,469

Projected Development Cost, Park Villas site: \$ 7,032,222

Notes:

* La Maestra proposes a long-term residual receipts ground lease, with the City of National City contributing the land to the project for the 55-year restricted housing affordability period, while retaining long-term ownership. Current estimated value of the land is \$40.00 per square foot.

Development Team

La Maestra's main location is a three-story, 36,440 square foot, Gold Level LEED-certified Community Health Center located in City Heights in Central San Diego. La Maestra was the owner-builder of that facility. In addition, La Maestra has experience leasing and outfitting medical clinic space, as it currently operates three satellite community medical centers, five dental clinics, and four school-based clinics. To assist with the development of the new medical space, the additional commercial space, and the affordable housing component, La Maestra brought in a core team of experienced housing and commercial development specialists, two of whom were involved in the development of its main medical center on Fairmount Avenue in City Heights, the development of the adjacent senior apartment project, and the mixed-use commercial and family apartment building.

The core team members and a summary of experience follows:

Charles Davis, Urban West Development

Mr. Davis is the principal of Urban West Development, which was founded in 1996 specializing in supporting owners, investors and non-profits with the development of real estate. Charles has been involved in over 800 million dollars in development and construction. His experience

includes the management of housing, retail, industrial, environmental and commercial projects from acquisition, planning, development, construction and operations. He has over 35 years of experience in community and real estate development which includes feasibility analysis, project budgeting, site selection and acquisition, project consultant/contractor selection and coordination, project monitoring and cost controls, scheduling, change orders management, submittal and pay application systems administrations and project financing.

His expertise also includes government agency negotiations, regulatory compliance and enforcement and the development, construction and asset management of affordable housing, multi-family housing, senior housing, single family tracts, condominiums and commercial/retail centers. He has served as Director of Project Development for Jacobs Center for Neighborhood Innovation, Development Consultant to Price Charities in City Heights, Community Development Officer of the Gaslamp Quarter Association in San Diego, Director of Development at Landgrant Development, and partner in the firms of Thompson and Associates and Robinson Development.

Charles attended the University of California at Los Angeles School of Engineering and has a Business degree from the University of Redlands. He also studied and completed the Community Economic Development Program at San Diego State University. He is a Licensed California General Building Contractor and is a Member of the Construction Management Association of America.

Richard Juarez, Urban West Development Consultants

Richard Juarez has been involved in inner-city community development in various capacities for over 35 years. His real estate development services included site assessment, concept and financial feasibility analysis, project budgeting and scheduling, entitlement permit processing, site planning and building design concepts, and presentations to area planning committees, Redevelopment PACs, Planning Commission, and City Council. His client list includes Price Charities, Jacobs Center for Neighborhood Innovation, Urban League, Community Housing Works, City Heights CDC, and Southeastern Economic Development Corporation.

He assisted Price Charities with master planning of a full block development at 39th and University Avenue that included a four-story office and retail building housing a one-stop job training center and child care center, a four-story 120-unit low-income apartment development for seniors and families, and a joint-use parking garage built on the adjacent parcel. A second multi-project development, located between 43rd Street and Fairmount at University Avenue, included 88 market rate family apartments over ground floor retail, 150 apartments for low-income seniors, and a three-story La Maestra Community Health Center.

As Vice President for Housing and Economic Development at MAAC Project, Juarez coordinated the development and construction of 400 award winning low-income apartments: Mercado Apartments in Barrio Logan, Laurel Tree Apartments in Carlsbad, and San Martin de Porres in Spring Valley. He managed the acquisition and rehabilitation of the 300-unit President John Adams Manor apartments in San Diego, utilizing tax credits and bond financing. Mr. Juarez earned a Master of City and Regional Planning degree from The Catholic University of America, School of Architecture and Planning, in Washington D.C. and a Bachelor of Arts degree in Economics from San Diego State University.

Robert P. Ito, Ito Girard and Associates

Mr. Ito has over 40 years in nonprofit leadership experience in San Diego County. His skill sets include: advocacy, fundraising, strategic planning and building relationships. He is the former Chair of the San Diego Workforce Advancement Committee, and served on the Workforce Investment Board. Mr. Ito is the former CEO of Occupational Training Services and the San Diego Community Housing Corporation, both non-profit public benefit corporations dedicated to job training and affordable housing. Robert is a native San Diegan with a wealth of connections to community organizations and civic leaders.

Career Highlights:

30,000 jobs for low income San Diegans

Administered \$30 million in Federal, State, and Local funds

Developed 1,100 affordable rental units providing housing for 3,500 people

Developed and sold 100 homes to low and moderate income first time homebuyers

WORK EXPERIENCE

2004 - Present CEO, Ito Girard & Associates, an urban infill real estate development and a capacity building consultant/advisor to nonprofits

2012 - Present Chief Development Officer, Aqual Corp, minority owned general contractor firm

1990 - 2004 CEO, Occupational Training Services

1994 - 2004 CEO, San Diego Community Housing Corporation

1982 - 1988 President, Occupational Training Services

1976 - 1982 Deputy Program Administrator, San Diego Workforce Partnership

1974 - 1975 Executive Director, Occupational Training Services

EDUCATION

- BA, Sociology, United States International University
- MA, Social Work, San Diego State University
- Turner School of Construction Management – Certificate
- Strategic Growth Planning for Entrepreneurs – Certificate

SITE DATA

NET SITE AREA 'A':	64,149 S.F. / 1.47 ACRES
NET SITE AREA 'B':	45,910 S.F. / 1.05 ACRES

RESIDENTIAL UNIT MDC:

ONE BR. UNITS:	652 S.F.	= 19	23%
TWO BR. UNITS:	827 S.F.	= 21	33%
THREE BR. UNITS:	1,028 S.F.	= 24	38%

TOTAL NUMBER OF UNITS:	=	83	100%
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COMMUNITY & COMMERCIAL SPACES:

COMMUNITY SPACES:
COMMERCIAL & OFFICE SPACES:
DAYCARE CENTER

= 2,000 S.F.
 = 30,200 S.F.
 = 4,000 S.F.

TOTAL COMMUNITY & COMMERCIAL SPACE ■ 30,910 SF

PARKING REQUIRED:

ONE BR. UNITS:	15	X	10	=	15
TWO BR. UNITS:	21	X	10	=	21
THREE BR. UNITS:	24	X	15	=	30
RESIDENTIAL SPACES REQUIRED:					
				=	75

DAYCARE CENTER	1 SPACE PER STAFF	=	8.0
COMMERCIAL (30,200 SF)	2 PER 1000	=	60.4

<p>TOTAL SPACES REQUIRED:</p>	<p>144</p>
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PARKING PROVIDED:

ON-SITE RESIDENTIAL PARKING	=	76
ON-SITE COMMERCIAL PARKING	=	77
ON-SITE DAYCARE PARKING	=	8
ON-STREET PARKING PROVIDED:	=	15
TOTAL SPACES PROVIDED:	=	176



HIGHLAND DEVELOPMENT SITE
LA MAESTRA COMMUNITY
HEALTH CENTERS
4000 PATRACUEST AVENUE, SAN DIEGO, CA 92105

ARCH. SITE DENSITY STUDY

NO.	DESCRIPTION	DATE	DRY	MO	PERCENTAGE	WAVE
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AMERICAN INSTITUTE OF STEEL CONSTRUCTION, INC.
FOR DESIGN REVIEW
SUBMITTAL SEAL

THEME

AS8.1



NORTH
SCALE 1" = 20'

ARCHITECTURAL SITE DENSITY STUDY
GARAGE LEVEL PLAN

EXHIBIT "A"
PURPLE COW ENA

RESOLUTION NO. 2015 –

RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN EXCLUSIVE NEGOTIATING AGREEMENT BY AND BETWEEN THE COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY AND LA MAESTRA FAMILY CLINIC, INC., A CALIFORNIA NON-PROFIT, PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF A 1.47 ACRE PROPERTY LOCATED BETWEEN ETA STREET AND BUCKY LANE ON NORTH HIGHLAND AVENUE IN NATIONAL CITY

WHEREAS, the Community Development Commission-Housing Authority of the City of National City ("CDC-HA") owns a 1.47 acre parcel of real property ("Property") located on North Highland Avenue between Eta Street and Bucky Lane in the City of National City, County of San Diego, California, which is sometimes referred to as the "Purple Cow;" and

WHEREAS, La Maestra Family Clinic, Inc. ("Developer") desires to develop on the Property a mixed-used project that includes approximately 63 units of affordable rental housing and medical offices for La Maestra Health Centers; and

WHEREAS, the CDC-HA and Developer desire to exclusively negotiate any and all agreements reasonably necessary for the CDC-HA to ground lease the Property to the Developer; and

WHEREAS, Developer will pay \$25,000 to the Housing Authority when the ENA is executed to partially pay for Housing Authority costs and pay an additional \$25,000 upon execution of a ground lease or other mutually acceptable agreements necessary for construction at the Property.

NOW, THEREFORE, BE IT RESOLVED that the Community Development Commission-Housing Authority of the City of National City hereby authorizes the Executive Director to execute an Exclusive Negotiating Agreement by and between the Community Development Commission-Housing Authority of the City of National City and La Maestra Family Clinic, Inc., a California non-profit, public benefit corporation, for the development of a 1.47 acre property located between Eta Street and Bucky Lane on North Highland Avenue in National City. The Exclusive Negotiating Agreement is on file in the office of the City Clerk.

PASSED and ADOPTED this 15th day of December, 2015.

Ron Morrison, Chairman

ATTEST:

APPROVED AS TO FORM:

Leslie Deese, Secretary

Claudia Gacitua Silva
CDC General Counsel

The following page(s) contain the backup material for Agenda Item: Update on shopping cart removal, business retrieval and enforcement pilot program. (Neighborhood Services)

Item _____

12-15-15

**UPDATE ON SHOPPING CART REMOVAL, BUSINESS RETRIEVAL
AND ENFORCEMENT PILOT PROGRAM
(NEIGHBORHOOD SERVICES)**

The following page(s) contain the backup material for Agenda Item: Update on Las Palmas Pool. (Community Services)

Item #
12-15-15

Update on Las Palmas Pool.

(Community Services)